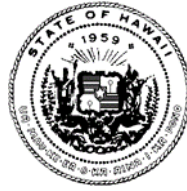


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 14, 2023

TO: The Honorable Representative Mark M. Nakashima, Chair
House Committee on Consumer Protection & Commerce

FROM: Cathy Betts, Director

SUBJECT: [HB 1439 HD1](#) – RELATING TO EVICTION MEDIATION.

Hearing: February 15, 2023, 2:00 p.m.
Conference Room 329 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and defers to the Judiciary and the Hawaii Public Housing Authority.

PURPOSE: The purpose of the bill establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program. Effective 6/30/3000. (HD1)

The Committee on Housing amended the measure by:

- (1) Changing the appropriation for the Judiciary to contract for mediation services to an unspecified amount;
- (2) Specifying that participants in the Emergency Rent Relief Program are limited to a maximum of \$5,000 under the program;
- (3) Clarifying that participants in the Emergency Rent Relief Program may choose to receive rent relief either as a lump sum payment of \$3,000 plus four monthly payments of \$500 or ten monthly payments of \$500;
- (4) Increasing the yearly cap of payments allowed under the Emergency Rent Relief Program to \$11,250,000;

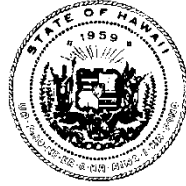
- (5) Clarifying that the requirements for the Hawaii Public Housing authority to establish rules and qualification standards apply to the Emergency Rent Relief Program and its participants, rather than the Pre-Litigation Mediation Pilot Program;
- (6) Expanding the authorized uses of the appropriation for the Emergency Rent Relief Program to be used to cover administrative costs of the program;
- (7) Making the Pre-Litigation Mediation Pilot Program effective on September 1, 2023;
- (8) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

DHS appreciates the Legislature's effort to incorporate the pre-litigation mediation program temporarily established by Act 57, Session Laws of Hawaii 2021. Mediation assisted many low-income renters in avoiding eviction or allowed a negotiated move-out that avoided further judicial proceedings and judgments. The program also gave assurance to landlords that payment was forthcoming. Preventing eviction allows families, especially with children, to remain in stable housing, allows children to continue to attend their community schools, and maintains their community social connections. Conversely, housing instability can result in long-term health outcomes, school and employment disruption, and increased family stress.

Lastly, providing funds for an emergency rent relief program will help families who are back on rent as the federal pandemic rental subsidies end.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY, PLEASE REFER TO:

Statement of
Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

2:00 p.m., February 15, 2023
Hawaii State Capitol
Room 329

In consideration of
HB 1439, HD1
RELATING TO EVICTION MEDIATION

Honorable Chair Nakashima and members of the House Committee on Consumer Protection & Commerce, thank you for the opportunity to provide testimony concerning House Bill (HB) 1439, HD1, relating to eviction mediation.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of HB 1439, HD1, which would establish a pre-litigation mediation pilot program and an emergency rent relief program, the latter of which would be administered by the HPHA.

The HPHA's mission is to provide Hawaii's residents with adequate and affordable housing, economic opportunity, and suitable living environments that are free from discrimination through both its public housing and rental assistance programs. The HPHA serves our state's most disadvantaged populations, including families earning less than thirty percent of the Area Median Income (AMI), the disabled, and the elderly.

Act 57, Session Laws of Hawaii (SLH) 2021, demonstrated how the combination of a robust pre-litigation mediation process with rental relief led to significantly better outcomes for local families struggling to make ends meet. In its October 2022 report on Act 57, the Hawaii

Appleseed Center for Law & Economic Justice found that the Tenant-Landlord Mediation Program resulted in a much higher rate of successful mediation results when compared to similar programs which held mediation post-filing of an eviction action. Tenants were also much more likely to remain in their unit.

The HPHA appreciates the opportunity to provide the committee with its testimony regarding HB 1439, HD1. We thank you very much for your dedicated and continued support.



The Judiciary, State of Hawai'i

Testimony to the Thirty-Second State Legislature, 2023 Regular Session

House Committee on Consumer Protection & Commerce

Representative Mark M. Nakashima, Chair
Representative Jackson D. Sayama, Vice Chair

Wednesday, February 15, 2023, 2:00 p.m.
Conference Room 329 & Via Videoconference

by:

Judge Melanie May
Deputy Chief Judge
District Court of the First Circuit

Judge Blaine J. Kobayashi
Deputy Chief Judge
District Court of the Second Circuit

Judge Michelle K. Laubach
Deputy Chief Judge
District Court of the Third Circuit

Judge Michael K. Soong
Deputy Chief Judge
District Court of the Fifth Circuit

WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 1439, H.D. 1, Relating to Eviction Mediation

Purpose: Establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program. Effective 6/30/3000. (HD1)

Judiciary's Position:

The Judiciary SUPPORTS this measure. When the COVID-19 pandemic began, there were predictions that thousands of evictions would flood the court system. The enactment and implementation of Act 57, Session Laws of Hawai'i 2021, helped to avert the anticipated crisis. Act 57 modified the notice requirements for residential summary possession cases, mandated pre-filing mediation, and made funding available for pre-filing mediation services and rent relief. Under Act 57, 85% of the 1,660 cases mediated statewide settled without litigation. Moreover, in the First Circuit, 85% of these settlements resulted in tenants remaining in their homes.

Thank you for the opportunity to testify on this measure.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for H.B. 1439 HD1 – Relating to Eviction Mediation
House Committee on Consumer Protection & Commerce
Wednesday, February 13, 2023, at 2:00PM, Conf. Rm. 329 and via Videoconference

Dear Chair Nakashima, Vice Chair Sayama, and members of the Committee on Consumer Protection & Commerce:

Thank you for the opportunity to express our **STRONG SUPPORT for H.B. 1439 HD1**, which will establish a pre-litigation mediation and rent relief program that has the potential to help prevent thousands of evictions. We also offer suggested amendments to provide additional flexibility with the rent relief portion of the bill.

Everyone benefits from housing stability. Around 2,500 evictions are filed every year in Hawai‘i. Evictions are harmful to the landlords who rely on rent payments, to the tenants who lose their homes, and to our community—which incurs an estimated \$30 million in costs for public and emergency services needed as a result of evictions. We estimate that for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.¹

Hawai‘i created one of the most successful eviction-prevention programs in the nation during the pandemic when it adopted two key tools for preserving housing stability—emergency rent relief and pre-litigation mediation (Act 57). Having both tools available for landlords and tenants who went through mediation resulted in 87 percent of eviction cases settling, compared to the norm of 47 percent. Most importantly, 85 percent of settlements resulted in tenants remaining in the home, relative to the more typical 11 percent rate pre-Act 57.

The rent relief & pre-litigation mediation programs Hawai‘i put into place during the pandemic taught us important lessons:

- Rent relief and pre-litigation mediation are each helpful, but most powerful when combined.
- Keep it simple. Securing rent relief was challenging for many tenants and landlords because of onerous documentation requirements to show that tenants qualified. As a result, some households that needed assistance weren’t able to access it, and administration of the program was more time-consuming and costly than it needed to be.
- Outreach and support services are key. Tenants who are intimidated by the prospect of eviction, are hopeless about their situation, or are worried about falling victim to scams may need

¹ According to estimates generated by the "Eviction Cost Calculator" (<https://law.arizona.edu/eviction-calculator>), developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai‘i’s estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency room at hospitals, and foster care and juvenile detention.

additional assurances that the pre-litigation mediation and rent relief options available to them are real and effective. They often will need time and support getting back on track to housing stability.

How Rent Relief & Pre-Litigation Mediation Under HB1439/SB1439 Will Work

HB1439/SB1439 incorporates the lessons learned from the pandemic into a streamlined rent relief & mediation program. Under the program, before an eviction for non-payment of rent can be filed with the court, the tenant must be offered pre-litigation mediation. Participants in pre-litigation mediation will have exclusive access to a rent relief fund that can be used to help pay arrears and provide a shallow rent subsidy of \$500 a month for a few months, buying the tenant time to get back to a more stable financial situation.

The benefits of this approach include the following:

- Limiting the rent relief to a relatively low amount (e.g., \$5,000 to \$8,000) mitigates the need for income qualifications and the corresponding onerous documentation requirements. Not only are the households that face eviction typically lower-income, people with high-cost rentals are unlikely to be able to use the subsidy to preserve high cost housing because the amount they could receive is limited.
- Making rent relief available only to pre-litigation mediation participants:
 - Stretches the dollars committed to rent relief by making it a program of last resort;
 - Helps mitigate the potential of cannibalizing funding from federally-subsidized rent relief programs that are harder to qualify for and access; and
 - Mitigates the likelihood of fraud in the program. The requirement that people show up in person or via video-conference and engage in mediation make it far less likely that people will be able to take unfair advantage of the program.

Recommendations to Strengthen HB1439

Based on our research of the pandemic rent relief and mediation programs, supported by the Urban Institute,² we make the following recommendations:

- **Cap the total amount of rent relief available to a household at \$8,000—up to \$5,000 for arrears plus up to \$3,000 for an ongoing shallow rent subsidy of \$500 per month for six months.** These figures are based on average distributions of pandemic rent relief that ranged between \$2,250 and \$6,000 depending on the program and county. \$5,000 of available rent relief should assist a household of four with nearly two months of back rent, covering enough of the arrears that a tenant is likely to be able to remain an ongoing tenant. Having a shallow rent subsidy of \$500 for six months is key to give the tenant time to get back on track financially or

² *Eviction Prevention Through Hawai'i's Tenant-Landlord Mediation Program*, Hawai'i Appleseed, Oct. 2022 (available at <https://hiappleseed.org/publications/eviction-prevention-mediation-hawai'i>).

explore other options.

An appropriation of \$11.25 million per year for rent relief could cover up to 2,250 households with an average payout of \$5,000. Setting the cap at \$8,000 provides flexibility for when a higher amount is warranted, but most households will likely receive less.

- **Allocate sufficient resources for administration of the rent relief, mediation, outreach, financial education/navigation services and data collection.** Even with a streamlined program, there's a cost associated with administering the rent relief program that will need to be covered.

During the pandemic, the mediation programs were able to conduct mediations for a cost of about \$250 to administer the process for each case, plus \$250 for each mediation session with up to two mediations being required. \$1.25 million would cover 2,500 mediations at \$500 per mediation.

Funding for outreach, financial counseling and navigation services is also critical. We know from the pandemic that tenants need assurances that programs similar to what's proposed are legitimate and offer a true opportunity for preserving their housing. And many tenants will likely need assistance during the six months of additional rent assistance to assess their ongoing financial stability, and identify other options or resources they can access for long-term sustainability.

It will also be important to allocate resources for data collection and analysis of the program. We know from the pandemic that rent relief and pre-litigation mediation is effective, but a small amount of support for analyzing the program can go far toward improving its efficiency, increasing its impact, and ensuring the program is successfully mitigating homelessness.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please **PASS HB1439 HD1**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.



February 15, 2023

Members of the House Committee on Consumer Protection & Commerce:

Chair Mark M. Nakashima
Vice Chair Jackson D. Sayama
Rep. Terez Amato
Rep. Della Au Belatti
Rep. Cedric Asuega Gates
Rep. Mark J. Hashem
Rep. Natalia Hussey-Burdick
Rep. Richard H.K. Onishi
Rep. Adrian K. Tam
Rep. Elijah Pierick

Re: HB1439 HD1 Relating to Relating to Eviction Mediation

Dear Chair Nakashima, Vice Chair Sayama, and Members of the House Committee on Consumer Protection & Commerce:

The Hawai'i State Coalition Against Domestic Violence (HSCADV) addresses the social, political, and economic impacts of domestic violence on individuals, families, and communities. We are a statewide partnership of domestic violence programs and shelters.

On behalf of HSCADV and our 28 member programs statewide, I respectfully submit testimony in **support of HB1439 HD1**, which establishes and funds a pre-litigation mediation pilot program and supplementary emergency rent relief program. Since the beginning of the COVID-19 pandemic in early 2020, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions and slow the spread of the COVID-19 virus. Combined, these programs have kept tens of thousands of families stably housed during the pandemic. These programs have been proven effective in keeping renters housed, but have faced challenges due to waning federal funding. HB1439 HD1 will help build a bridge towards more permanent rental assistance and mediation programs in the future.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. This is especially true for survivors of domestic violence - **thirty-eight percent of all domestic violence victims become**



homeless at some point in their lives¹, and 57% of homeless women reported that domestic violence was the immediate cause of their homelessness.²

According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, there are an estimated 2,500 evictions filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can lead to homelessness. The cost of eviction on individuals and households include, but is not limited to: interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression, and; impaired legal records which make it harder to find future housing.

Evictions also create large public costs. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care and juvenile detention. According to research by Hawai'i Appleseed Center for Law and Economic Justice, for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

Establishing a permanent rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. We need to extend these programs for at least one additional year, as they provide support and hope to so many in our state. Please **PASS HB1439 HD1** to help prevent evictions and keep our island residents housed.

Thank you for the opportunity to testify on this important matter.

Sincerely,

Angelina Mercado, Executive Director

¹ <https://safehousingpartnerships.org/intersection>

² https://safehousingpartnerships.org/sites/default/files/2017-05/SHP-Homelessness%20and%20DV%20Infographic_1.pdf

Hearing Date: Wednesday, February 13th 2023

House Committee on Consumer Protection & Commerce (CPC)

Submitted by [Planning for Community LLC](#)

HB1439 - Relating to Eviction Mediation

Dear Chair Nakashima, Vice Chair Sayama, and other members of the CPC Committee,

Planning for Community LLC consultants on urban planning and policy making for government agencies, nonprofits, and local businesses. Our work focuses on transportation and affordable housing improvements to create vibrant communities that support all people.

Planning for Community is submitting testimony in STRONG SUPPORT OF HB1439, which establishes and funds a pre-litigation mediation pilot program and supplementary emergency rent relief program. We also provide suggested amendments to strengthen the legislation. Since the beginning of the COVID-19 pandemic in early 2020, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions and slow the spread of the COVID-19 virus. Combined, these programs have kept tens of thousands of families stably housed during the pandemic. HB1439 will help build a bridge towards more permanent rental assistance and mediations programs in the future.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, there are an estimated 2,500 evictions filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can lead to homelessness. The cost of eviction on individuals and households include, but is not limited to: interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression, and; impaired legal records which make it harder to find future housing.

Evictions also create large public costs. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency room at hospitals, and foster care and juvenile detention. According to research by Hawai'i Appleseed Center for Law and Economic Justice, for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

Recommendations to Strengthen HB1439

Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute, HB1439 could be strengthened through the following amendments:

- **Cap the total amount of rent relief available to a household at \$8,000**—up to \$5,000 for arrears plus up to \$3,000 for an ongoing shallow rent subsidy of \$500 per month for six months. These figures are based on average distributions of pandemic rent relief that ranged between \$2,250 and \$6,000 depending on the program and county. \$5,000 of available rent relief should assist a household of four with nearly two months of back rent, covering enough of the arrears that a tenant is likely to be able to remain an ongoing tenant. Having a shallow rent subsidy of \$500 for six months is key to give the tenant time to get back on track financially or explore other options. An appropriation of \$11.25 million per year for rent relief could cover up to 2,250 households with an average payout of \$5,000. Setting the cap at \$8,000 provides flexibility for when a higher amount is warranted, but most households will likely receive less.

- **Allocate sufficient resources for administration of the rent relief, mediation, outreach, financial education/navigation services and data collection.** Even with a streamlined program, there's a cost associated with administering the rent relief program that will need to be covered. During the pandemic, the mediation programs were able to conduct mediations for a cost of about \$250 to administer the process for each case, plus \$250 for each mediation session with up to two mediations being required. \$1.25 million would cover 2,500 mediations at \$500 per mediation.

Funding for outreach, financial counseling and navigation services is also critical. We know from the pandemic that tenants need assurances that programs similar to what's proposed are legitimate and offer a true opportunity for preserving their housing. And many tenants will likely need assistance during the six months of additional rent assistance to assess their ongoing financial stability, and identify other options or resources they can access for long-term sustainability.

It will also be important to allocate resources for data collection and analysis of the program. We know from the pandemic that rent relief and pre-litigation mediation is effective, but a small amount of support for analyzing the program can go far toward improving its efficiency, increasing its impact, and ensuring the program is successfully mitigating houselessness.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please PASS **HB1439 HD1**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.



Planning for Community LLC
Owner and Manager



Papa Ola Lokahi
Nana I Ka Pono Na Ma

894 Queen Street
Honolulu, Hawaii 96813
Phone: 808.597.6550
www.papaolalokahi.org

House Committee on Consumer Protection & Commerce
Representative Mark M. Nakashima, Chair
Representative Jackson D. Sayama, Vice Chair

Wednesday, February 15, 2023, 2:00 PM, Conference Room 329 via Videoconference

RE: HB 1439 HD 1 – RELATING TO EVICTION MEDIATION

Position: IN SUPPORT

Dear Chair Nakashima, Vice-Chair Sayama, and the Members of the Committee on Consumer Protection & Commerce,

Papa Ola Lokahi testifies **in support** of HB 1439 HD 1, which will establish and fund a pre-litigation mediation pilot program and supplementary emergency rent relief program. During the pandemic, the state's temporary versions of these programs helped prevent evictions. This measure, which would help build a bridge towards more permanent rental assistance and mediation programs in the future, is critical to ensuring housing stability for our communities.

While the pandemic is evolving but funding for pandemic impacts and their sequelae has largely ended, rent assistance provides one of the most direct and immediate components in a multi-pronged strategy to stabilize families. The increase in prices for housing across the state is unsustainable for all, especially for kupuna and those dependent on fixed incomes. Data collected prior to 2020 indicate that locals have been leaving Hawaii for the continental United States to achieve better economic opportunity and stability, which has significant implications for communities and workforce. Those who choose not to or are unable to leave face serious challenges and may ultimately end up being homeless without robust social supports, such as those proposed in HB 1439, to stay housed in Hawaii's housing market.

Of particular concern is the over-representation of Native Hawaiians and Pacific Islanders (NHPIs) in the homeless population. According to the [2022 Point In Time Count Report](#) (PIT Count), NHPIs, and multiracial people made up the largest percentages of the unhoused population: 52% of people included in the count identified NHPI as either their only race or part of their multiracial identity, and 81% of multiracial individuals identified NHPI as part of their racial background. In addition, the report highlighted that NHPIs were 265% more likely to represent individuals in the PIT Count compared to the general population of Oahu.

Addressing the social determinants of health – i.e., the nonmedical factors that influence health outcomes, including our physical environment – requires investment. Papa Ola Lokahi **supports HB 1439 HD 1**, which creates one of the many vehicles needed to bolster the ability of local families remain safely housed, healthy, and connected to Hawaii.

Thank you for the opportunity to provide testimony **in support** of this critical legislation.

Papa Ola Lōkahi, the Native Hawaiian Health Board, authorized by the federal Native Hawaiian Health Care Improvement Act, is charged with raising the health status of Native Hawaiians to the highest possible level, which we achieve through strategic partnerships, programs, and public policy.



Testimony to the House Committee on Consumer Protection and Commerce
Wednesday, February 15, 2023, 2:00 pm
Via Videoconference, Conference Room 329

Re: HB 1439 HD1, Relating to Eviction Mediation

Dear Chair Nakashima, Vice Chair Sayama, and members of the Committee on Consumer Protection and Commerce,

We are in **strong support** of HB 1439, which establishes and funds a pre-litigation mediation pilot program and an emergency rent relief program. Hawai'i residents are still struggling with housing instability, and HB 1439 would a critical role in reducing evictions — and the social and financial harm they cause.

Family Promise of Hawai'i is a nonprofit working to prevent and end homelessness for families with children. We see every day how housing instability impacts children and their families. Evictions and homelessness are traumatic experiences that interrupt children's access to school, affect their physical and mental health, and impair their families' ability to find housing again in the future.

Over the past few years, temporary rent relief and landlord-tenant mediation programs have kept tens of thousands of families housed. Sadly, many households — including families with children — are still struggling to stay afloat economically. As recently as November 2022, 41% of households with children in Hawai'i had difficulty paying for their usual household expenses, such as rent¹.

At Family Promise of Hawai'i, we have seen firsthand the transformative effect of emergency rent relief. In 2020, we partnered with Catholic Charities Hawai'i to administer the state's Rent Relief and Housing Assistance Program. Between 2021–2022, we partnered with the City and County of Honolulu and other service providers to run the O'ahu Housing Now rental assistance program.

Additionally, Act 57 (2021), which created a temporary landlord-tenant mediation procedure, was successful in often averting eviction and its downstream effects. A November 2022 study by the Hawai'i Appleseed Center for Law and Economic Justice found that “of the mediated settlement agreements reviewed for the study, 85 percent of Act 57 cases resulted in the tenant remaining in their home, which only occurred 11 percent of the time in the pre-COVID summary possession settlements.”²

Please pass HB 1439 to help prevent evictions and keep families housed. Thank you for the opportunity to submit this written testimony.

Mahalo,

A handwritten signature in blue ink that reads "Ryan Catalani".

Ryan Catalani
Executive Director

¹ Annie E. Casey KIDS COUNT Data Center: <https://datacenter.kidscount.org/data/tables/10896-households-with-children-that-had-difficulty-paying-for-usual-household-expenses-in-the-past-week?loc=13&loct=2#detailed/2/13/false/2502,2484,2480,2476,2472,2465,2458,2463,2448,2418/any/21185>

² Hawai'i Appleseed Center for Law and Economic Justice: <https://hiappleseed.org/publications/eviction-prevention-mediation-hawaii>



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a partner agency of the



Ku'ikahi Mediation Center is a 501(c)(3) nonprofit organization, donations to which are tax-deductible. We welcome your support!

February 14, 2023

Testimony to the House Committee on Consumer Protection & Commerce
Thursday, February 15, 2023, 2:00 p.m.
Conference Room 329 & Videoconference

RE: Support of HB 1439 HD1, Relating to Eviction Mediation

Dear Chair Nakashima, Vice Chair Sayama, and members of the House Committee on Consumer Protection & Commerce:

As a local non-profit organization, we **strongly encourage you to support HB 1439 HD1**, which will promote housing stability by establishing a free landlord/tenant pre-litigation mediation diversion program and creating an emergency rent relief program available to participants in pre-litigation mediation to provide resources that will help avoid eviction and maintain stable tenancies.

Because of the COVID pandemic, Hawai'i established a temporary Emergency Rental Assistance Program (ERAP) and a one-year Act 57 Landlord Tenant Eviction Mediation Program to slow the spread of COVID and prevent a "tsunami" of evictions. Combined, these two programs successfully kept tens of thousands of families across the state stably housed during the pandemic. HB 1439 HD1 will help build a bridge towards more permanent rental assistance and mediation programs in the future.

According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, an estimated 2,500 evictions are filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and can led to homelessness. The cost of eviction on individuals and households includes, but is not limited to: interrupted employment and schooling leading to a loss of wages; negative health impacts, such as anxiety and depression; and impaired legal records and credit histories which make it harder to find future housing.

According to estimates provided by the "Eviction Cost Calculator," developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency room at hospitals, and foster care and juvenile detention. According to research by Hawai'i Appleseed Center, for every tax dollar spent on rental assistance and landlord/tenant mediation



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ADMINISTRATIVE & PROGRAM ASSISTANT
Kaitlyn Lacombe

programs, the public saves six dollars on homeless services.

In the County of Hawai'i, Ku'ikahi Mediation Center (KMC) and West Hawai'i Mediation (WHMC), worked jointly on the Act 57 Statewide Landlord Tenant Eviction Mediation Program during the period of August 7, 2021 to August 6, 2022. The legislature's passage of Act 57 and the availability of rental assistance were both crucial to this program's success.

Of the 285 Act 57 landlord/tenant cases received via 15-day eviction notices by KMC and WHMC, 53% mediated. Of the cases that mediated, 79% were resolved and 21% were not resolved. Of the cases that did not mediate, 72% conciliated or settled prior to mediation (largely due to the receipt of rental assistance), 22% had tenants chose not to mediate, and 6% were closed for other reasons (e.g., unable to reach tenant). Thus, 76% of all 285 Act 57 landlord/tenant cases were successfully resolved, either through mediated agreements or conciliations and settlements prior to mediation.

Establishing a new statewide landlord/tenant mediation program that includes rental assistance is crucial step to reduce the social and financial harm caused by evictions.

We strongly urge you to pass this legislation and consider the suggested amendments listed above. Thank you for reading this testimony.

Mahalo,

Julie Mitchell
Executive Director

a partner agency of the



Ku'ikahi Mediation Center is a 501(c)(3) nonprofit organization, donations to which are tax-deductible. We welcome your support!

Hearing Date: Wednesday, February 15, 2023 at 2pm
House Committee on Consumer Protection & Commerce
Submitted by Shadey Lopes-Kamake'eaina
HB1439 HD1 - Relating to Eviction Mediation

Dear Chair Nakashima, Vice Chair Sayama, and members of the House Committee on Consumer Protection and Commerce:

Shadey Lopes-Kamake'eaina supports HB1439 HD1, which will establish an emergency rental assistance and landlord-tenant pre-litigation mediation program patterned off the extraordinarily successful programs Hawai'i adopted in response to the COVID-19 pandemic.

Even as the health threats of the pandemic subside, rent assistance and pre-litigation mediation remain a critical components of ensuring housing stability and preventing evictions. An estimated 2,500 evictions filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can led to homelessness. The cost of eviction on individuals and households include, but is not limited to: interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression, and; impaired legal records which make it harder to find future housing. Evictions also create large public cost—for example, increasing the need for emergency shelters, in-patient care emergency room at hospitals, and foster care and juvenile detention.

Emergency rental assistance and pre-litigation mediation helped prevent thousands of evictions of Hawai'i families during the pandemic. We know that the approach was effective, and we should use the lessons learned from the pandemic to reduce the social and financial harm caused by evictions in the future. Please **PASS HB1439 HD1** to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

Shadey Lopes-Kamake'eaina

Shadey Lopes-Kamake'eaina

HB-1439-HD-1

Submitted on: 2/14/2023 2:21:45 PM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Arjuna	Individual	Support	Written Testimony Only

Comments:

Please support the continuation of the landlord tenant mediation program + rent relief

HB-1439-HD-1

Submitted on: 2/13/2023 3:05:24 PM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Samonte	Individual	Support	Written Testimony Only

Comments:

I support this bill

HB-1439-HD-1

Submitted on: 2/13/2023 7:30:43 PM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Many Hawai‘i residents continue to face challenges in paying their rent and are faced with the prospect of eviction. Act 57 (2021) encouraged communication and facilitated mediation between landlords and tenants to help reduce summary possession cases. Research from Hawai‘i Appleseed Center indicates that the mediation procedures created by Act 57 were widely successful in substantially increasing the number of disputes that were settled without a court case, and without resulting in eviction. This program was highly successful, and Hawai‘i should continue to make use of this system. Please pass HB1439 HD1.

HB-1439-HD-1

Submitted on: 2/14/2023 7:45:35 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of HD1. Thank you.

HB-1439-HD-1

Submitted on: 2/14/2023 9:12:02 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support

HB-1439-HD-1

Submitted on: 2/14/2023 10:45:21 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Christy MacPherson	Individual	Support	Written Testimony Only

Comments:

I am in **STRONG** support of HB1439 HD1. This is absolutely necessary in order to prevent homelessness in our state.

Mahalo for your consideration.

Hearing Date: Wednesday, February 15, 2023 at 2pm
House Committee on Consumer Protection & Commerce
Submitted by Dolores Foley
HB1439 HD1 - Relating to Eviction Mediation

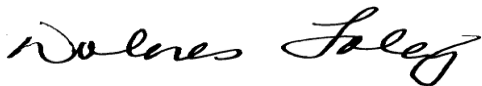
Dear Chair Nakashima, Vice Chair Sayama, and members of the House Committee on Consumer Protection and Commerce:

Dolores Foley supports HB1439 HD1, which will establish an emergency rental assistance and landlord-tenant pre-litigation mediation program patterned off the extraordinarily successful programs Hawai'i adopted in response to the COVID-19 pandemic.

Even as the health threats of the pandemic subside, rent assistance and pre-litigation mediation remain a critical components of ensuring housing stability and preventing evictions. An estimated 2,500 evictions filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can led to homelessness. The cost of eviction on individuals and households include, but is not limited to: interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression, and; impaired legal records which make it harder to find future housing. Evictions also create large public cost—for example, increasing the need for emergency shelters, in-patient care emergency room at hospitals, and foster care and juvenile detention.

Emergency rental assistance and pre-litigation mediation helped prevent thousands of evictions of Hawai'i families during the pandemic. We know that the approach was effective, and we should use the lessons learned from the pandemic to reduce the social and financial harm caused by evictions in the future. Please **PASS HB1439 HD1** to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.



Dolores Foley



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: House Committee on Consumer Protection & Commerce

Re: **HB 1409, HD1 - Relating to Eviction Mediation**

Hawai'i State Capitol and via videoconference

February 15, 2023, 2:00 PM

Dear Chair Nakashima, Vice Chair Sayama, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 1439, HD1**, relating to eviction mediation. This bill establishes and appropriates funds for a pre-litigation mediation pilot program, requires landlords to participate in mediation before filing an action for summary possession, and creates and appropriates funds for an emergency rent relief program.

**HCAN Speaks! Board
of Directors**

Liza Ryan Gill
President

Nick Kacprowski, J.D.
Treasurer

Mandy Fernandes
Secretary

Teri Keliipuleole
Jasmine Slovak
Erica Yamauchi

A similar program that combined mediation and rent relief during the height of the pandemic proved highly successful and was credited with preventing hundreds of tenants in our state from being evicted.¹ We should build on that success and use the lessons learned to create a new mediation and rent relief program.

About 111,000 children in our state live in families that spend more than 30% of their income on housing, which is considered a high housing cost burden. This equates to 37% of all children in our state, ranking Hawai'i a concerning 48th among the states for housing affordability for families with children.²

It is well established that housing instability has harmful effects on children's health and educational outcomes³ and that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.⁴

While the threat of evictions was especially dire when our unemployment rate was high, Hawai'i had a housing affordability and homelessness crisis before the pandemic, and we will still have one after it ends. That's why this type of program is so important.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo

Director of Research and Economic Policy

¹ <https://www.hawaiipublicradio.org/local-news/2022-10-19/report-mandatory-mediation-saved-hundreds-of-tenants-from-eviction>

² https://www.hawaii-can.org/kids_count_2022_hawaii_profile

³ <https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes>

⁴ <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

Hearing Date: Wednesday, February 15, 2023 at 2pm
House Committee on Consumer Protection & Commerce
HB1439 HD1 - Relating to Eviction Mediation

My name is Marya Grambs and, while I am testifying as an individual, I was previously Executive Director of Mental Health America of Hawaii, and I am currently President of the Board of Partners in Care's nonprofit arm, and member of the Board of Directors of Waikiki Health.

I am testifying **in strong support of HB1439 HD1**, which will establish an emergency rental assistance and landlord-tenant pre-litigation mediation program.

An estimated 2,500 evictions are filed each year across the state, causing interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression; impaired legal records which make it harder to find future housing; and in severe cases can led to homelessness.

Emergency rental assistance and pre-litigation mediation helped prevent thousands of Hawai'i families during the pandemic. We know that the approach was effective, and we should use the lessons learned from the pandemic to reduce the social and financial harm caused by evictions in the future.

Please **PASS HB1439 HD1** to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

HB-1439-HD-1

Submitted on: 2/15/2023 1:54:19 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Oppose	Written Testimony Only

Comments:

The hoops a landlord must go through are already too lengthy and involved.

Nonpayment means get out

Thank you

Mrs Ruth Love

1911 Kalakaua Avenue, Apt. #305
Honolulu, Hawai'i 96815

Wednesday, February 15, 2023

Chair Nakashima, and Vice Chair Sayama
House Committee on Consumer Protection & Commerce
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Honorable Committee Chairs, Vice Chair, and Members:

I strongly support HB1439 HD1, which establishes emergency rental assistance and landlord-tenant, pre-litigation mediation programs, akin to the those successfully put in place in Hawai'i in response to the ongoing COVID-19 pandemic. Programs such as these could have helped me recently, if only they had been available to me in a case I had to remediate myself, supported by some good guidance by Hawai'i's own Lawyers for Equal Justice. Most facing eviction in Hawai'i, as a practical matter, would not have accessed the help I was able to from Lawyers for Equal Justice. And I surmise that this great, but underfunded nonprofit, could in no way help all in the state that need the kind of help I did.

Mine was a high stakes case of misunderstanding-turned discrimination and retaliation-turned-eviction, and could, potentially, have lost me my Section 8 voucher forever, had I not been shepherded by a most skilled attorney at Lawyers for Equal Justice. Most tenants facing eviction in Hawai'i I fear now are wholly bereft of a mediation process that worked so well during the pandemic. Nor, as a practical matter, will the estimated 2, 500 residents yearly on the verge of eviction likely to be able to receive the help I did from this great, but underfunded nonprofit. And yet, had I not had the help to self-mediate my complex case, I may well have been plunged into houselessness, losing not only my home that I have known for over a decade as a perfect tenant, but my Section 8 rental assistance could well have been cut off forever.

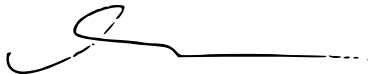
Prior to the help I received, I had been sunk with debilitating anxiety and depression by this personal housing crisis. It was me alone up against one of the largest property management companies in Honolulu. And things didn't look good for me. It

seems also that the property management company was quite content, if not aiming for me to lose my Section 8 assistance. I was almost a sure bet to join the ranks of our struggling homeless.

In my case (as with many), given a range of serious health conditions I suffer from, housing is healthcare. I can only imagine that the negative externalities of not having help in mediation available to me, would have been sizable, perhaps reaching the estimated \$70,000 a year in total costs to society for the negative externalities associated with being houseless.

The pandemic has helped to relieve many inefficiencies in the marketplace. One mechanism of doing so was through the previous functions of emergency rental assistance and pre-litigation mediation. We should continue with like programs to bring down the numbers of growing homeless in Hawai'i and the enormous total costs incurred by society when people don't have homes. Please *pass HB1439 HD1* to keep our residents from facing the cascading financial and social costs of evictions and to keep residents here at home housed.

Me ka 'oia'i'o,

A handwritten signature in black ink, appearing to read 'Shaun Campbell', followed by a horizontal line that ends in a dotted line.

Shaun Campbell
Honolulu

SJC:bhs