



HB1857
RELATING TO EMERGENCY MANAGEMENT
House Committee on Water & Land

February 9, 2024

9:00 AM

Conference Room 430

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB1857** which would allow the governor to suspend mortgage foreclosures in the event of damage as a result of a disaster under a state of emergency proclaimed by the governor. OHA supports this measure for the benefit such a measure would be for homeowners affected by disasters.

The need for this legislation is significant. It is a known fact that Native Hawaiian families have the highest percentage of families in poverty at 12% and lowest percentage of families with livable income at 58%.¹ This means that when a disaster hits, many Hawaiian families often do not have the financial ability to weather the situation economically. As a result of the economic vulnerability faced by Native Hawaiian homeowners, OHA maintains a Disaster Relief Loan Program through OHA's Native Hawaiian Revolving Loan Fund which offers loans of up to \$20,000 for home improvement, vehicle repair or replacement, or business stabilization for Native Hawaiians affected by a natural disaster.²

In the past several years, OHA has worked with communities affected by disasters to provide funding to help address the impacts of disasters. In April of 2018, severe flooding damaged or destroyed 532 homes and caused \$180 million in damage on Kauai.³ On April 30, 2018, the 2018 Kīlauea eruption began and would go on to last 4 months, resulting in the destruction of 716 homes, the displacement of 3,000 residents, \$236.5 million in damage to public infrastructure, \$27.9 million in farm losses, and \$415 million in tourism revenue losses.⁴ In response to the disasters on Kaua'i and Hawai'i Island in 2018, OHA provided a disaster relief package for affected Native Hawaiians.⁵ In response to the 2023 Maui wildfires, the Board of Trustees of OHA opened the Maui Relief Storage Facility to

¹ Kana'iaupuni, Shawn Malia, Wendy M. Kekahio, Kā'eo Duarte, and Brandon C. Ledward, with Sierra Malia Fox and Jenna T. Caparoso. 2021. *Ka Huaka'i: 2021 Native Hawaiian Educational Assessment*. Honolulu: Kamehameha Publishing, p. 93.

² OHA, *Disaster Relief Loan Program*, available at <https://loans.oha.org/disaster-relief/>, last accessed November 7, 2023.

³ Marcie Grabowski, *Kauai's 2018 record-setting rain caused by a series of supercell thunderstorms*, University of Hawaii School of Ocean and Earth Science and Technology, April 20, 2022.

⁴ Sara Lajeunesse, *Eruption*, Ka Pili Kai Volume 2 No. 2, University of Hawaii Sea Grant College Program, p. 25, (2020).

⁵ OHA, *OHA announces disaster relief package for Kaua'i and Hawai'i Communities*, June 7, 2018.



HB1857 RELATING TO EMERGENCY MANAGEMENT
Committee Meeting of the House Committee on Water & Land

provide coordinated donation management,⁶ and approved \$5 million to aid disaster recovery.⁷

While OHA’s programs and financial support have helped many families, we cannot help all residents or even all Hawaiians. We believe this measure’s proposed authorization can go along way to alleviating the burdens for many local and especially Hawaiian families at some of the most devastating times in their lives—after a disaster.

OHA appreciates the opportunity to share our mana‘o and urges the Legislature to **PASS HB1857**. Mahalo nui loa.

⁶ OHA, *Coordinated Donation Management Center for Maui fire victims opens in Hakuone*, August 19, 2023.

⁷ OHA, *OHA Trustees commit \$5 million in disaster relief funds to aid beneficiaries affected by Maui wildfires*, September 6, 2023.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KENNETH S. HARA
DIRECTOR OF EMERGENCY
MANAGEMENT

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAI'I EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4420

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1857,
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE HOUSE COMMITTEE ON
WATER AND LAND

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBRUARY 9, 2024

Aloha Chair Ichiyama, Vice-Chair Poepoe, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** HB 1857.

I am writing to express **strong support** for House Bill 1857, which authorizes the Governor to exercise certain rights pertaining to emergency management and gives the Governor authority to suspend mortgage foreclosure provisions for properties that have suffered substantial damage due to a state of emergency declared by the Governor himself. I believe granting this power to the Governor, who serves as the highest-ranking official in the state, is essential for safeguarding homeowners who have been severely impacted by emergencies.

Whether it is a natural disaster, a public health crisis, or any other unforeseen event, having a streamlined and decisive approach to emergency management is vital. During a state of emergency, individuals and communities often face significant challenges and hardships.

Natural disasters, such as hurricanes or earthquakes, can cause extensive damage to properties, leaving homeowners in a vulnerable position. This measure would provide much-needed relief to homeowners, allowing them to focus on rebuilding their lives without the added burden of potential foreclosure.

A temporary suspension of foreclosure provisions for properties with substantial damage during a state of emergency, ensures that homeowners are given the necessary support during times of crisis while still upholding contractual obligations in the long run.

I urge the Legislature to pass this bill and provide essential support to homeowners facing the devastating effects of emergencies.

Thank you for the opportunity to provide testimony in SUPPORT of House Bill 1857.

James Barros: james.barros@hawaii.gov; 808-733-4300

COUNTY COUNCIL

Mel Rapozo, Chair
KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
Felicia Cowden
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Ross Kagawa



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188
Facsimile: (808) 241-6349
Email: cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 7, 2024

TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 1857, RELATING TO EMERGENCY MANAGEMENT
House Committee on Water & Land
Friday, February 9, 2024
9:00 a.m.
Conference Room 430
Via Videoconference

Dear Chair Ichiyama and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of 1857, Relating to Emergency Management. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I wholeheartedly support the intent of HB 1857, which would greatly affect the Kaua'i community.

Thank you again for this opportunity to provide testimony in support of HB 1857. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kaua'i County Council

AAO:ss

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
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Gabe Johnson
Tamara Paltin
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Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 7, 2024

TO: The Honorable Representative Linda Ichiyama, Chair, and
Members of the Committee on Water & Land

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 9, 2024; TESTIMONY IN SUPPORT OF
HB1857, RELATING TO EMERGENCY MANAGEMENT**

Thank you for the opportunity to testify in **support** of this important measure. The measure's purpose is to authorize the Governor to suspend the mortgage foreclosure provisions of Chapter 667, Hawai'i Revised Statutes, for properties having substantial damage resulting from a Governor-declared state of emergency.

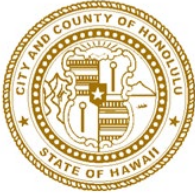
This measure is in the Hawai'i State Association of Counties' Legislative Package; therefore, I offer this testimony on behalf of the Council.

I **support** this measure for the following reasons:

1. This measure proposes to relieve hardships and inequities or obstructions to public health, safety, or welfare by suspending mortgage foreclosure provisions for properties sustaining substantial damage resulting from a disaster for up to 36 months.
2. Following the August wildfires on Maui, many Maui County residents are still, and will likely for many months continue to be, displaced from their homes and facing financial hardship.
3. This measure will help ease these burdens so impacted individuals and families may focus on their mental and physical health, returning to work or finding sustainable revenue sources, and planning to return to their properties to rebuild.
4. Without this support, many residents may be forced to sell their properties and move from Hawai'i, taking with them local families and skilled labor.

For the foregoing reasons, I **support** this measure.

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HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

530 S. KING ST. STE. 202, HONOLULU, HI 96813

TOMMY WATERS
CHAIR & PRESIDING OFFICER
LUNA HO'OMALU
HONOLULU CITY COUNCIL
DISTRICT IV
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The Honorable Linda Ichiyama, Chair
and Members of the House Committee on Water and Land
Hawaii State House
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Ichiyama and Committee Members:

Subject House Bill 1857 – RELATING TO EMERGENCY MANGAGEMENT

As an Executive Board Member of the Hawaii State Association of Counties and Chair of the Honolulu City Council, I wish to submit my **STRONG SUPPORT** for HB1857. In recent years we have seen devastating lava flows on Hawai'i Island, destructive flooding on Kaua'i, and of course most recently the tragic wildfires on Maui.

This measure would seek to give additional tools to the Governor to aide in the recovery for communities across our State that have suffered significant losses. While we can only hope that these tools will not be needed in the future, we wish to stand with our fellow counties and communities, by ensuring that our government is equipped to take humane and equitable action when necessary.

I thank you for you positive consideration of this measure.

Mahalo piha,

A handwritten signature in black ink that reads "Tommy Waters".

Tommy Waters
Honolulu City Council, Chair



February 7, 2024

House Committee on Water & Land
Representative Ichiyama, Chair
Representative Poepoe, Vice-Chair

Testimony in Support of HB1857

Chair Ichiyama, Vice Chair Poepoe and Members of the Committee,

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii, including Maui.

Hundreds of our union members and their family lost their homes in the Lahaina wildfire. Our union has worked to provide what support we can to these working-class families in this impossibly difficult situation. Housing and getting back to work are two key steps needed for Maui families to begin to rebuild their lives.

We are in support of HB1857. Lahaina homes are mostly ash now. The bill will address housing security by removing the fear of foreclosure on homes that no longer exist. It gives fire victims who lost their homes, usually a family's biggest financial investment, space to breathe. HB1857 will give thirty-six months for families to begin to rebuild financially, and time to carefully consider their next steps in rebuilding their lives and homes.

This bill is also forward-thinking and will provide more tools for policy makers to respond to future disasters.


We urge you to pass HB1857.

Thank you for your consideration.



 808-733-7060

 808-737-4977

 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 8, 2024

The Honorable Linda Ichiyama, Chair

House Committee on Water & Land

State Capitol, Conference Room 430 & Videoconference

RE: House Bill 1857, Relating to Emergency Management

HEARING: Friday, February 9, 2024, at 9:00 a.m.

Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR **opposes** House Bill 1857, which authorizes the Governor to suspend the mortgage foreclosure provisions of chapter 667, HRS, for properties having substantial damage resulting from a Governor-declared state of emergency.

HAR appreciates that this measure is trying to address the very real impacts felt by homeowners in times of emergency. However, lenders are closely monitored and are evaluated on factors like how much risk they carry within their lending portfolio. If mortgage foreclosures are suspended for up to three years, it could make banks less stable and riskier. This may lead to less money available for loans and tighten credit markets, making it harder for people, including homeowners, to get the funds or receive loans they need after an emergency.

Mahalo for the opportunity to testify.





Testimony to the House Committee on Water & Land
Friday, February 9, 2024, at 9:00 AM
Conference Room 430

Comments on HB 1857 - Relating to Emergency Management

To: The Honorable Linda Ichiyama, Chair
The Honorable Mahina Poepoe, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 47 Hawaii credit unions, representing over 864,000 credit union members across the state.

HCUL offers the following comments on HB 1857, Relating to Emergency Management. This bill would authorize the Governor to suspend the mortgage foreclosure provisions of chapter 667, HRS, for properties having substantial damage resulting from a Governor-declared state of emergency. While we understand the intent of this bill to protect borrowers in the event of a substantial disaster, there are several concerns.

The majority of Hawaii's credit unions currently offer mortgage loans to their members. Credit unions are not-for-profit organizations whose members ultimately bear any losses. If there is a default in payment of their obligations, a credit union may have to take legal action to collect the debt. If the credit union cannot collect the debt, its members suffer the loss, and this may also have the unintended consequence of making it more difficult for credit union members to qualify for loans, as the risk incurred by financial institutions would be higher. Thus, suspending mortgage foreclosures for 3 years could be detrimental to a financial institution's overall safety and soundness.

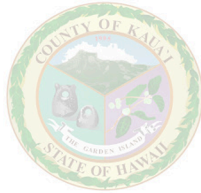
Further, we have concerns with the lack of clarity in the term "substantial damage". If this is the trigger for the suspension of Chapter 667, it should be clearly defined.

Hawaii's credit unions, particularly those on Maui, have already been offering substantial relief to those affected by the Maui fires. This includes loan deferrals. We have examples of this which can be made available to the Committee members. While we understand the desire to mandate this type of assistance to those in need, it will affect the way local credit union lenders are able to operate, offer loans, and assist their members.

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



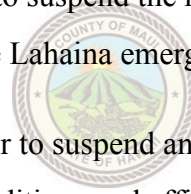
**Testimony of the
Hawai'i State Association of Counties
H.B. No. 1857
Relating to Emergency Management.**



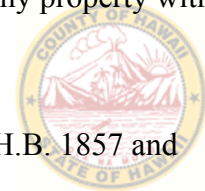
Committee on Water & Land
Friday, February 9, 2024, 9:00 a.m.



The Hawai'i State Association of Counties (HSAC) strongly supports H.B. 1857, which includes in the governor's emergency powers the authority to suspend the mortgage foreclosure law that may adversely affect the rebuilding efforts after the Lahaina emergency.



The governor's emergency powers include the power to suspend any law which “,,impedes or tends to impede or be detrimental to the expeditious and efficient execution of, or to conflict with, emergency functions...” H.B. 1857 makes it clear that the governor is authorized to suspend the mortgage foreclosure law up to thirty-six months on any property with substantial damage resulting from a proclaimed emergency.



For these reasons, the Hawai'i State Association of Counties strongly supports H.B. 1857 and requests your favorable consideration of this measure.



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 9, 2024

TO: Representative Linda Ichiyama
Chair, Committee on Water & Land

FROM: Mihoko Ito

RE: **H.B. 1857 – Relating to Emergency Management**
Hearing Date: Friday, February 9, 2024 at 9:00 a.m.
Conference Room: 430

Dear Chair Ichiyama, Vice-Chair Poepoe, and Members of the Committee on Water & Land:

We submit this testimony on behalf of the Hawaii Bankers Association (HBA). HBA represents seven Hawai'i banks and one bank from the continent with branches in Hawai'i.

HBA submits **comments** on H.B. 1857, which authorizes the Governor to suspend the mortgage foreclosure provisions of HRS chapter 667 for properties having substantial damage resulting from a Governor-declared state of emergency for a period of up to thirty-six months.

While banks regularly work with those impacted by disasters and consider foreclosures to be a process of last resort, HBA has concerns regarding the broad nature of this bill and the unintended impact it could have on the financial institutions market, and in turn on consumers. Lenders are heavily regulated institutions that are regularly reviewed for their safety and soundness and evaluated, among other things, based on the level of risk they carry within their lending portfolios. Suspending mortgage foreclosures for up to 3 years could negatively impact a bank's overall stability and elevate risk, which in turn would tighten credit markets and hurt consumers who need access to capital after an emergency.

We appreciate that this measure is trying to address very real impacts felt by consumers in times of emergency in the State but believe that additional discussion is necessary to ensure that consumers and the lending markets they rely on are not negatively impacted.

Thank you very much for the opportunity to submit comments on this measure.