

HAWAII LEGISLATIVE  
ACTION COMMITTEE

  
**community**  
ASSOCIATIONS INSTITUTE

P.O. Box 976  
Honolulu, Hawaii 96808

Testimony Regarding HB 1895

Date: Wednesday, February 2, 2022

Time: 2:00 pm

Place: Conference Room 329 and via video conference

Chair Johanson, Vice Chair Kitagawa and Committee Members,

My name is Michael Ayson and I am testifying on behalf of the Legislative Action Committee of The Community Associations Institute, Hawaii Chapter ("CAI"). CAI is a national organization devoted to improving the management and operation of condominium and other homeowner associations. The Hawaii chapter is a local chapter of the national organization.

CAI opposes HB 1895.

Very truly yours,

  
\_\_\_\_\_  
Michael Ayson



 | 808-733-7060

 | 808-737-4977

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

February 2, 2022

**The Honorable Aaron Ling Johanson, Chair**

House Committee on Consumer Protection and Commerce  
Via Videoconference

**RE: H.B. 1895, Relating to Tenant Rights**

**HEARING: Wednesday, February 2, 2022, at 2:00 p.m.**

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee,

I am Peter Davis, Chair of the Government Affairs Committee, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 10,800 members. HAR **strongly opposes** House Bill 1895, which establishes a penalty for landlord violations of the residential landlord-tenant code. Establishes minimum notice requirements for landlords terminating rental agreements. Limits the allowable amount for landlord rent increases annually. Requires landlords to pay tenants when terminating or refusing to renew a rental agreement.

HAR believes limiting rent increases does nothing to increase the supply of rental housing and, ultimately, increasing supply is the true long-term solution to Hawaii's rental housing shortage. Legislating price caps will likely lead to unintended consequences reminiscent of what Hawai'i experienced with the gas cap law. Rent control discourages the construction of more rental units making the problem even worse. Unless a rent control law permits a fair rate of return over time, housing providers may not be able to maintain their units.

Additionally, according to 2019 Census data, 39.8% of households are renters in Hawai'i. Not everyone is able to afford to purchase a home and Hawai'i needs rental units. This measure would require a housing provider to pay a tenant should they not renew a Rental Agreement of up to three months rent and based on the number of years the tenant was in the unit. A Rental Agreement is a private contract between two parties and there are numerous reasons a housing provider would not renew a Rental Agreement, such as selling the property due to financial difficulties or needing to move back into the unit. As such, an unintended consequence of this measure is it discourages housing providers from renting a property, thereby increasing rental housing costs due to lack of supply.

For the foregoing reasons, we respectfully request that this measure be held. Mahalo for the opportunity to testify.



**HB-1895**

Submitted on: 1/31/2022 6:33:08 PM

Testimony for CPC on 2/2/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Michelle Lazuka	Individual	Support	No

Comments:

Submit this bill PLEASE

Teacher and Kihei Resident. Michelle Lazuka

**HB-1895**

Submitted on: 2/1/2022 11:07:02 AM

Testimony for CPC on 2/2/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
R Laree McGuire	Individual	Oppose	No

Comments:

Strongly oppose; not in favor of rent control measures nor of requiring landlords to pay tenants for refusing to renew a rental agreement. There may be many reasons why a landlord would not be willing to renew and as the proeprty owner, that should be the landlord's right.

**HB-1895**

Submitted on: 2/2/2022 12:15:20 AM

Testimony for CPC on 2/2/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Carrie Blocher	Individual	Oppose	No

Comments:

This bill restricts owners rights. This will greatly reduce the number of large term rentals in the island's market.

**DAVID W.H. CHEE**

David W.H. Chee  
Telephone: 808-539-1150  
Email: [dchee@dcheelaw.com](mailto:dchee@dcheelaw.com)

Attorney at Law  
1001 Bishop Street  
ASB Tower, Suite 585  
Honolulu, Hawaii 96813  
Facsimile No. 808-208-8689

Christine S. Prepose-Kamihara  
Telephone: 808-784-4963  
Email: [cprepose@dcheelaw.com](mailto:cprepose@dcheelaw.com)

February 2, 2022

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Aaron Ling Johanson, Chair

Rep. Lisa Kitagawa, Vice Chair

RE: HB1861 and HB1895- RELATING TO THE RESIDENTIAL  
LANDLORD-TENANT CODE/ RELATING TO TENANT RIGHTS

I am an attorney who has been practicing landlord-tenant law in Hawaii for the last 29 years.

HB1861 and HB1895 would reshape the entire landscape of rental housing in Hawaii. By dramatically raising costs, legal obligations and restrictions for providers of rental housing, while also limiting their ability to generate income, property owners will have fewer incentives to use current properties for rentals or to develop new rental properties.

These bills would require regarding just cause evictions, prohibitive rent increases, extend the time for tenants to occupy rented premises without paying rent, and require rental housing providers to pay tenants if they decide they want them to leave. These requirements are similar to what is required of government subsidized housing - where properties receive substantial tax credits and subsidies in exchange for providing housing under similar terms as these bills would require. These subsidized properties adopt these strict guidelines in exchange for the financial incentives. The government offers these incentives to compensate a landlord who would otherwise likely experience financial losses because of the guidelines.

This bill will require every rental housing provider to adhere to similar and, in some cases, more strict rules than subsidized housing providers without providing any of the subsidies or tax credits.

It is fundamentally unfair to require that all providers of rental housing in Hawaii to shoulder these restrictions without also giving them subsidies and tax credits - and without giving them a choice.

Very truly yours,  
/s/ David Chee  
David W.H. Chee, Esq.