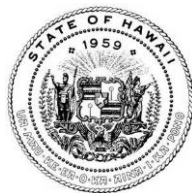


DAVID Y. IGE
GOVERNOR



LATE

EXECUTIVE CHAMBERS
HONOLULU

March 17, 2022

TO: The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **SB 2877 SD1 – RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.**

Hearing: Thursday, March 17, 2022, 9:00 a.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator supports this measure, which is similar to administration bills [SB3107](#)/[HB2139](#).

PURPOSE: The purpose of the bill is to allow a landlord or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property. The bill also caps the amount of an application screening fee at \$25 and prohibits fees to be charged for each member of a household; requires the landlord or landlord's agent to provide a receipt for payment of the application screening fee and copy of any report obtained, if requested by the application, within ten days of the applicant's request; and requires the landlord or landlord's agent to return any unauthorized fee amounts to the applicant.

The Coordinator appreciates the amendments of the Senate Committee on Judiciary to specify that the landlord or the landlord's agent shall return to the applicant any amount of the application screening fee that is not used for the purposes authorized within thirty days after the landlord has submitted screening requests.

Unlike other aspects of a landlord-tenant relationship, the charging of application screening fees for a rental unit is currently unregulated. Not only is there no regulation regarding the amount of fees charged, but there is no regulation of what costs are covered by these fees. Application screening fee costs range widely, from as low as \$25 to as high as \$50-

\$60 or more per adult member of a household. Potential tenants searching for housing often pay multiple application fees during a housing search, regardless of whether an applicant screening (e.g., credit check or criminal background check) is conducted. Although a single screening fee of \$25 to \$60 appears nominal, fees quickly add up when a potential tenant applies for multiple rental units. The impact of multiple unregulated screening fees is particularly challenging for potential tenants with limited income, including individuals transitioning out of homelessness.

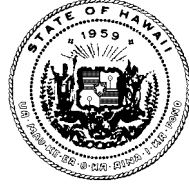
Requiring the refund of unused application screening fees will enable tenants to utilize the monies to pay for rent, utilities, and other basic housing costs. In addition, requiring a refund when no screening is conducted will disincentivize landlords from charging unnecessary fees to potential tenants who may not be seriously considered for a rental unit.

Addressing barriers to accessing rental housing, such as the lack of regulation for application screening fees, is especially critical given the ongoing COVID-19 pandemic and its impacts on low-income households. In January 2021, the Economic Roundtable released a report that projected the pandemic recession would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count also indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016. Reducing barriers to housing access will assist in mitigating future upward trends in homelessness.

As Chair of the Hawaii Interagency Council on Homelessness (HICH), the Coordinator recognizes that regulating application screening fees is just one piece of a more comprehensive effort to address homelessness and housing instability. In December 2021, the Hawaii Interagency Council on Homelessness (HICH) adopted policy priorities for the 2022 legislative session, including the reduction of upfront housing barriers, scaling the development of low-income housing units, and strengthening programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, visit <https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 15, 2022

TO: The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing

FROM: Cathy Betts, Director

SUBJECT: **SB 2877 SD1 – RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.**

Hearing: March 17, 2022, 9:00 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure as it is similar to administration measure SB3107 SD1 and defers to the Department of Commerce & Consumer Affairs.

PURPOSE: The purpose of the bill allows a landlord or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property. Caps the amount of an application screening fee at \$25 and prohibits fees to be charged for each member of a household. Requires the landlord or landlord's agent to provide a receipt for payment of the application screening fee and copy of any report obtained, if requested by the applicant, and within ten days of the applicant's request. Requires the landlord or landlord's agent to return any unauthorized fee amounts to the applicant. (SD1)

The Department appreciates the SD1 that amended the measure by:

"specifying that the landlord or the landlord's agent shall return to the applicant any amount of the application screening fee that is not used for the purposes authorized within thirty days after the landlord has submitted screening requests."

In Hawaii's tight and expensive housing environment, fixed- and low-income residents do not have the financial wherewithal to pay multiple fees, especially if the landlord does not run a background check or take the application seriously. In Hawaii's large multigenerational households, the fees could be several hundred dollars. Therefore, requiring landlords to refund any unused screening fee, including any unused balance, within 30 days will give applicants the needed financial resources to apply for another rental or use it on necessities.

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

DAVID Y. IGE
GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 17, 2022

The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing
The Thirty-First Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Nakamura and Committee Members:

SUBJECT: SB2877 SD1 Relating to Residential Landlord-Tenant Code

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB2877 SD1** which allows a landlord or the landlord's agent, when processing an application to rent residential property, to charge an application screening fee for the cost of requesting a tenant report or credit report for a potential tenant. Requires landlords to refund any unused amount of the application screening fee and, upon request, provide a receipt for payment of the application screening fee.

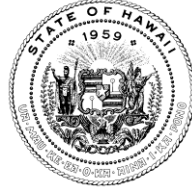
Many individuals with intellectual/developmental disabilities (I/DD) are a part of our low-income community. Many individuals with I/DD benefit from Section 8 Housing Choice Voucher Program. For our individuals, the section 8 program is the only way many can live independently and helps integrate them into our communities. When looking for a home to rent, paying for rental applications is a roadblock for our I/DD community members. Some of our individuals often have to apply to over ten separate listings. If the application cost per listing is \$50 with no guarantee that they will be accepted, our individuals would have to pay \$500 in these application fees with no guarantee of finding a home. These costs are too high for our community members to pay and the cost creates a barrier to entry for low-income individuals looking for rental spaces within our state.

Thank you for the opportunity to submit testimony in **support of SB2877 SD1**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Housing
Thursday, March 17, 2022
9:00 a.m.
Via Videoconference**

**On the following measure:
S.B. 2877, S.D 1, RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE**

Chair Nakamura and Members of the Committee:

My name is Stephen Levins, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department supports this bill.

The purposes of this bill are to: (1) allow a landlord or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property; (2) cap the amount of an application screening fee at \$25; (3) prohibit fees to be charged for each member of a household; (4) require the landlord or landlord's agent to provide a receipt for payment of the application screening fee and copy of any report obtained, if requested by the applicant, and within ten days of the applicant's request; and (5) require the landlord or landlord's agent to return any unauthorized fee amounts to the applicant.

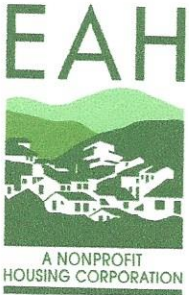
S.B. 2877, S.D. 1 is desirable because current law does not specifically regulate the nature and amount of application fees that landlords may charge prospective

tenants. Over the years, the OCP has received allegations from prospective tenants claiming that the cost of their application fees does not correlate with the costs of background and credit checks. The most troubling reports involve claims from prospective tenants who have been asked to pay \$50 to \$100 for an application screening fee that in actuality costs \$10 to \$25.

The Department appreciates the limit of charging one application screening fee per application in this measure because it will help reduce the abusive practice of charging families multiple application screening fees unnecessarily. If, for example, a family of four adults that includes two college-aged children who do not contribute to the rent applies for a rental unit, that family could potentially be charged a \$100 application screening fee, even if the credit worthiness of the two college students is not considered in the family's ability to pay the rent. In Hawaii's tight housing market, this family may have to submit multiple applications and pay hundreds of dollars in application fees before signing a rental agreement.

Excessive application fees are particularly egregious in circumstances when a landlord or his agent receives scores of applications for one apartment, most of which are not even seriously considered. Instead of engaging in a valid tenant screening process, the landlord or agent is abusing his or her bargaining position to create a supplemental source of income. This bill will deter that conduct by directly addressing this inequity. Subsection (c) on page 2, lines 3 to 7 requires an applicant to be given a copy of his or her credit report upon request, as well as a receipt to confirm that the application screening fee paid to the landlord or the landlord's agent was used for the purposes it was intended. Additionally, subsection (d) on page 2, lines 8 to 11 requires the landlord to return any amount of the application screening fee that was not used for the purposes authorized by this measure.

Thank you for the opportunity to testify on this bill.



March 15, 2022

Hawaii State Legislature
Housing Committee on Housing

Attn: Chair Nadine K. Nakamura and Vice Chair Troy N. Hashimoto

Subject: SB2877 SD1 Relating to the Landlord Tenant Code, Hearing March 17, 2022, at 9:00pm, State Capitol, Room 423

Aloha Chair Nakamura, Vice Chair Hashimoto, and Members of the House Committee on Housing, I am Kevin Carney, Vice President for EAH Housing hereby submitting comments and suggested changes regarding SB2877 SD1 which would amend the Landlord Tenant Code to include a Tenant Application Fee not to exceed \$25 per application and limits the Fee to one member of the household.

EAH Housing is a non-profit developer and manager of low-income rental housing serving those with incomes at or below 60% of the area median income. Our managed inventory currently consists of 2,336 apartments in multifamily and senior housing on Kauai, Maui, and Oahu with another 280 units in our development pipeline which will expand our operations to the Big Island as well.

In multifamily housing whether it be for families or seniors the Landlord has an obligation and a responsibility to its residents to provide a safe environment for each and every family. We therefore would like to suggest that **multifamily housing be exempted** from that section of the bill which limits the application fee to one member of the household.

It is standard practice in our multifamily industry to conduct personal reference and credit checks on all adult members of the household. We would like to note that HUD financed multifamily properties do not allow for an application fee to be charged at all. For most other programs the application fees are restricted. Typically, the restriction is the actual cost and up to a \$5.00 administrative fee. Our current charge for properties that do charge an application fee is \$35 per adult household member.

Charging an application fee is typically a function of market demand for multifamily properties. On initial lease-ups we will not charge an application fee as the purpose is to lease all the units as soon as possible. On older properties if the project has units to fill and there is little demand, then an application fee is not likely to be employed. With high demand for units, we will employ an application fee. We would also like to note that EAH welcomes applicants with Housing Choice Vouchers.

Safety is our primary concern in conducting personal reference checks, tenant, and credit reports, etc. Also, standard practice is all payments must be in the form of a check or money order. We do not accept cash for any type of payment. Therefore, the applicants canceled check or money order receipt is the verification of payment. This helps to reduce our administrative costs.

To summarize, not being able to charge the exact cost of the review for each adult member of the household plus a small administrative fee places a financial burden on the property. Requiring a receipt is an administrative burden on multifamily properties serving lower incomes which have very slim operating budgets.

In your deliberations on this bill, please consider the differences, which are many, in leasing a single-family home versus a multifamily apartment unit. What works for single family housing does not necessarily apply to our multifamily industry. Thank you for the opportunity to suggest changes to SB2877 SD1.

Sincerely,

A handwritten signature in black ink that reads "Kevin R. Carney". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Kevin R. Carney, RB-16444

(PB), NAHP-E

Vice President, Special Projects, Hawaii

SB-2877-SD-1

Submitted on: 3/15/2022 7:04:24 PM

Testimony for HSG on 3/17/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristen Alice	HOPE Services Hawai'i	Support	Remotely Via Zoom

Comments:

Hope Services Hawai'i strongly supports this measure.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF SB 2877 SD1: RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE

TO: House Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Thursday, 3/17/22; 9:00 AM; via videoconference**

Chair Nakamura, Vice Chair Hashimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in Strong Support** of **SB 2877 SD1**, which allows a landlord to charge an application fee at the time a rental application is being processed for a rental unit, caps the fee at \$25, and other provisions. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawai'i supports this bill since application screening fees have a direct impact on the ability of lower income people to apply for available rental housing units. Some feel that no application fees should be charged since screening prospective tenants could be considered a usual business expense. However, we consider this bill a good compromise. It allows the landlord to charge a fee to screen the applicant but only when they are actually being processed for a unit. Too many people apply for a housing unit and pay the application fee, never to hear back from the landlord. Currently there is a severe financial penalty for multiple applications. This has an impact on the number of applications that lower income and even ALICE families can afford to submit. It also impacts on the savings of the applicant for the deposit and first month's rent.

We also support one reasonable fee per application. Landlords could still screen all members of the family so families with elderly incomes or multiple workers could also be screened and all income sources verified. There would just be one set fee charged. Since it would be a reasonable fee, landlords should not incur the cost of returning this fee, unless they do not actually process the applicant for an available unit.

If Hawai'i is to end homelessness and help those like the ALICE households to obtain housing, it must create systems that support both tenants and landlords. This bill is a good step forward to help people who need housing, yet also to allow landlords to charge a fee when they will actually screen the applicant for credit, criminal checks, etc.

We urge your support for this bill. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or alohabettylou@hotmail.com if you have any questions.



SB-2877-SD-1

Submitted on: 3/16/2022 7:37:30 AM

Testimony for HSG on 3/17/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shirley David	St. Michael the Archangel Church, Kailua Kona	Support	Written Testimony Only

Comments:

SB2877 SD1 Will help our landlords to accept Section 8 vouchers with incentives and will help our families seeking housing and those who navigate the housing market for them. Please give everyone a step up. We need healthy residents who do not have to spend their days looking for a safe place to live.

Part I: HPHA to adopt rules to establish incentives for landlords participating in the tenant-based Section 8 program: reimbursement for up to one month rent when unit sits vacant for initial lease up or between participating tenants; signing bonus of up to one month rent for new landlords to the program (signing bonus OR the reimbursement); and creation of a damage mitigation fund to be reimbursed for repair costs if damage exceeds security deposit, with the claim submitted within 30 calendar days of the tenant vacating the unit.

Part II: Creates a “reasonable time” for Section 8 inspections of a max of 15 days for a unit inspection from the time that the owner/landlord requests an inspection. HPHA to adopt admin rule.

Vote yes on SB2877 SD1



March 17, 2022

The Honorable Nadine A. Nakamura, Chair

House Committee on Housing

Via Videoconference

RE: S.B. 2877, SD1, Relating to the Residential Landlord-Tenant Code

HEARING: Thursday, March 17, 2022, at 9:00 a.m.

Aloha Chair Nakamura, Vice Chair Hashimoto, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, 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** S.B. 2877 SD1, which allows a landlord or landlord's agent to charge an application screening fee at the time a rental application is processed for residential property. Caps the amount of an application screening fee at \$25 and prohibits fees to be charged for each member of a household. Requires the landlord or landlord's agent to provide a receipt for payment of the application screening fee and copy of any report obtained, if requested by the applicant, and within ten days of the applicant's request. Requires the landlord or landlord's agent to return any unauthorized fee amounts to the applicant.

The tenant screening process typically begins when the prospective tenant completing a rental application. Property managers can order various reports or rely on a tenant screening company to produce a tenant screening report. The screening report can include credit reports, criminal background checks, eviction history, and other public records to properly vet a tenant.

Under this measure, it notes that only one member of a household can be charged an application screening fee. It is a general standard practice that any potential tenant over the age of 18 that will be on the rental agreement is required to undergo an application screening check. Under Fair Housing law, they are treating all applicants equally. Furthermore, it is not uncommon for multiple applicant's incomes in a household, such as spouses, to be used to qualify to rent a property.

Additionally, HAR would also note that the costs of screening reports vary. If a property management company has bulk reports, it may be slightly cheaper. However, if not, costs to run the report can be well over \$25 and up to \$75 or more, which doesn't even take into account any administrative costs.

Finally, this measure allows an applicant to receive a copy of any report obtained within ten days of the applicant's request. These screening reports are marked confidential and are not allowed be shared by the housing provider or property



**Hawai'i
Association of
REALTORS®**



| 808-733-7060



| 808-737-4977



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

manager. In the alternative, prospective applicants can request up to three free credit reports a year from credit report agencies, such as TransUnion, Experian or Equifax.

Mahalo for the opportunity to testify.



DAVID W.H. CHEE

David W.H. Chee
Telephone: 808-539-1150
mail: dchee@dcheelaw.com

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

Christine S. Prepose-Ka
Telephone: 808-784-4
Email: cprepose@dcheel

March 16, 2022

COMMITTEE ON HOUSING
Rep. Nadine K. Nakamura, Chair
Rep. Troy N. Hashimoto, Vice Chair

LATE

RE: SB2877, SD1 RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE

I am an attorney and have practiced landlord-tenant law for the last 29 years.

I oppose SB 2877, SD1 because of the likely consequences of this legislation, if passed.

When a housing provider rents to a tenant, they are placing them into a community. Careful housing providers will consider, for example, whether the prospective tenant has a history of violence or criminal activity, including whether the individual is a sex offender. For many housing providers, concern for the safety of other residents and neighbors leads them to carefully screen prospective tenants.

Because of the potential risk of putting the wrong person in possession of a rental unit, housing providers want to know the background for each adult residing in the property.

The application screening process helps to insure not only that a tenant is financially suited to rent a property, but also allows a housing provider to check to make sure an applicant does not pose a threat to the community or to their property. For example, if an applicant was recently convicted of arson, that would be something a housing provider will want to know. Likewise, if a housing provider owns a rental community that provides housing to children, they will want to know if an applicant is on the sex offender registry. For these reasons, the application process is critical to housing providers.

This bill seeks to limit the amount a housing provider could collect for an application screening fee to \$25, requires a housing provider to provide an applicant a receipt for payment of the application screening fee and a copy of any report obtained within ten days of receiving a written request by the applicant, and limits the application screening fee to \$25 per household. The likely consequence is that fewer background checks will be done.

The bill should be revised to remove the “per household” cap and replace it with a “per person” number. Screening companies do not charge fees based on households; they charge per person. Additionally, the cap selected should be based on actual costs. The legislature should conduct a study to determine a reasonable number.

I understand that California instituted a screening application fee cap in 1998. The California law set the cap at \$30 and allowed the cap to automatically increase with inflation. As of December 2021, I understand the cap was \$55.58 after inflations was accounted for.

If the bill were to proceed in its current form, there are several additional problems the legislature should consider.

I. Ambiguity

As drafted, there appears to be some ambiguity related to how charges can be applied. Currently, the legislation provides that:

A landlord or the landlord's agent may charge only one application screening fee per application and shall not charge an application screening fee for each member of a household.

For many of my clients, each adult will be required to fill out a **separate** application for rental, since the application generally asks for information specific to the individual-past and current employment information, rental history, criminal background etc. While the proposed legislation allows for a screening fee for each application, it also states that an application screening fee cannot be charged for each member of a household. Household, however, is not defined. If two couples currently residing in different households decide to apply for a rental together, they will likely be required to fill out a total of 4 applications- one for each adult. It is not clear, however, whether a screening fee could be charged for each application, a screening fee could be charged for each couple (as each couple are part of different households at the time of application), or if only one screening fee charge would be applicable to the entire group.

Similarly, if an existing tenant is seeking to add another roommate on to the lease, or have an individual take over his lease, it is not clear if the housing provider could charge these individuals a screening fee, as it is not clear whether they are considered part of the household under the proposed legislation.

II. Proposed Screening Fee Cap May Not Cover Actual Costs

The proposed legislation would establish a screening fee cap of \$25 per household. I understand that many background and credit reporting agencies currently charge anywhere from \$25-\$75, or more, for a single report. This will likely mean that a housing provider will not be able to recover the actual cost to screen an applicant under the proposed legislation. To the extent that a household contains several adults, the costs expended by the housing provider to screen the applicants will be multiplied.

Under this bill, if a housing provider needs to screen a group made up of 4 adults, they could charge \$25, and would be out \$75+ for just one group of applicants. If ten groups of 4 adults applied for the same unit, that would be losses of \$750+. That could mean thousands of dollars of losses for larger housing provider who rent out numerous units.

COMMITTEE ON HOUSING
Rep. Nadine K. Nakamura, Chair
Rep. Troy N. Hashimoto, Vice Chair
March 16, 2022
Page 3
(RE: 2877, SD 1)

I expect that housing providers will try to minimize their costs. One potential way they may do so is by limiting the number of adults that can apply together. If that were the case, renters that cannot meet income requirements on their own and need multiple roommates will have a much harder time finding housing, since the composition of their household may not meet income requirements.

For smaller, mom and pop housing providers, the out-of-pocket costs to screen applicants may become cost prohibitive. As a result, they may need to do away with application screenings, which will make them more likely to find themselves in a position of renting to dangerous tenants, or tenants that are unable to pay their rent.

For larger housing provider, the increase in costs will likely be past on to existing tenants in the form of higher rent.

III. Access to Screening Reports

This bill also requires that a housing provider supply an applicant a copy of any screening report that was paid for with the application screening fees within ten days of a written request. Tenant screening reports often contain personal and private information. Mailing or emailing the report to an applicant may pose a threat of inadvertent disclosure if the mail or email is intercepted or opened by a person other than the applicant. To protect both the applicant and the housing provider, the legislature may wish to amend the proposed legislation to say a copy of the report shall be made available to a tenant for pick-up from the housing provider upon presentation of proper photo identification.

Please let me know if you have any questions.

Very truly yours,

/s/ David W. H. Chee

David W. H. Chee



LATE

TESTIMONY IN SUPPORT OF SB 2877, SD 1

TO: Chair Nakamura, Vice Chair Hashimoto, & Housing Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: March 17, 2022 (9:00 AM)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 2877, SD 1, which caps the amount of an application screening fee at \$25, prohibits fees to be charged for each member of a household, and other provisions.

This bill allows landlords to charge an application fee to screen an applicant but only when the applicant is processed for an available unit. Many prospective tenants apply for a housing unit and submit a fee but do not hear back as to why they were rejected or whether they were even processed. Many housing assistance programs do not allow for the payment of an application fee, further burdening those persons who are already have significant income constraints. This impairs the ability of those who have government sources of income to obtain safe and stable housing.

HHRC Executive Director Heather Lusk currently serves as Board Chair of [Partners in Care O'ahu](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's continuum of care for homeless persons. HHRC provides homeless outreach and housing placement navigation services in urban Honolulu and the Upper Windward Coast, including North Shore.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.