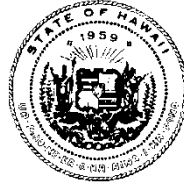


JOSH GREEN, M.D.
GOVERNOR



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 FINANCE

3:00 p.m., April 4, 2023
Hawaii State Capitol
Room 308

In consideration of
SB 393, SD1, HD2
RELATING TO THE LANDLORD-TENANT CODE

Honorable Chair Yamashita and members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 393, SD1, HD2, relating to the landlord-tenant code.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of SB 393, SD1, HD2, 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.

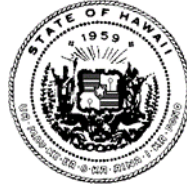
The HPHA's mission is to provide Hawaii's residents with adequate and affordable housing, economic opportunity, and suitable living environments that are free from discrimination through both its public housing and rental assistance programs. The HPHA serves our state's most disadvantaged populations, 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 SB 393, SD1, HD2. We thank you very much for your dedicated and continued support.

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

April 3, 2023

TO: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: [SB 393 SD1 HD2](#) - RELATING TO THE LANDLORD-TENANT CODE.

Hearing: March 21, 2023, 2:00 p.m.
Conference Room 329 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the measure's intent, provides comments, and defers to the Departments of Commerce & Consumer Affairs and Health, the Hawaii Public Housing Authority, the Judiciary, and the Counties.

PURPOSE: 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. Creates and appropriates funds for an emergency rent relief program to be made available to certain qualified participants in the pre-litigation mediation pilot program. Effective 6/30/3000. (HD1)

The SD1 amended the measure by defecting the effective date. The HD1 amended the measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 1439, H.D. 2, a measure that:

- (A) Establishes and appropriates funds for a Pre-Litigation Mediation Pilot Program under the Judiciary, beginning on September 1, 2023, which requires landlords to participate in mediation before filing an action for summary possession;
 - (B) Establishes and appropriates funds for an Emergency Rent Relief Program under the Hawaii Public Housing Authority;
 - (C) Contains a sunset date of June 30, 2025; and
 - (D) Contains an effective date of June 30, 3000;
- (2) Clarifying that eligible participants in the Emergency Rent Relief Program are limited to those participants in the Pre-Litigation Mediation Pilot Program with an income of no more than eighty percent of the area median income; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

The HD2 further amended the measure by:

- (1) Clarifying that mediation may take place by means of remote communication, including two-way video communication, or in person, or both;
- (2) Removing the income qualification for persons to participate in the Emergency Rent Relief Program; and
- (3) 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 (Act 57), including appropriating funds for rental assistance.

Act 57 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 back on rent as the federal pandemic rental subsidies end.

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



CATHOLIC CHARITIES HAWAII

**TESTIMONY IN SUPPORT OF SB 393 SD1 HD2:
RELATING TO THE LANDLORD TENANT CODE**

TO: House Committee on Finance
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, 4/4/23; 3:00 PM; CR 308 & via videoconference**

Chair Yamashita, Vice Chair Kitagawa, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in Support of HB 393 SD1 HD2**, which establishes and funds a pre-litigation mediation pilot program and an emergency relief program for tenants in this mediation pilot. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 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.

To effectively end homelessness, Hawai'i must focus on prevention. Currently, many people who are experiencing homelessness are successfully placed into permanent housing. However, it may seem as if nothing is being done since more families, elders, and individuals fall into homelessness, replacing those who have been housed. Families who are evicted are at high risk for homelessness. Historically, Hawai'i has had about 2,500 evictions filed with the courts each year. The eviction prevention programs developed during the pandemic with even higher risk for evictions, demonstrated that these programs can work to keep tenants housed. This bill would create win-win situations for both tenants to preserve housing and landlords to obtain rent.

Hawai'i's people depend on all of us to continue to pay attention to the high personal and systems costs for evictions, now that the pandemic is subsiding. The trauma to tenants and landlords is great. The community costs are great. An estimated \$30 million in public and emergency services are needed due to evictions. Let's close the spigot and reduce the flow of families into homelessness.

Catholic Charities Hawai'i urges you **to increase the total program funding to cover program administration, outreach and navigation services, as well as setting the cap on rent relief at \$8,000 per household**. Outreach and support services are key to future stability for these at-risk tenants. Outreach could reach tenants before they dig such a deep hole for rent that it may be difficult to resolve. Financial counseling and navigation services are the missing piece to help these tenants become more financially stable while they receive a few months of rent relief. The goal would be long-term sustainability.

Please pass this bill with amendments that strengthen both tenants and landlords. Please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813, if you have any questions.





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 Finance
Re: **SB 393, SD2, HD1 – Relating to the Landlord-Tenant Code**
Hawai'i State Capitol & Via Videoconference
April 4, 2023, 3:00 PM

Dear Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SB 393, SD2, HD1**. 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
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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.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 it 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>



April 1, 2023

Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Committee on Finance
Tuesday, April 4, 2023
3:00 pm
Via Videoconference

RE: **SB393 HD2** Relating to Landlord-Tenant Code (**Support with Amendments**)

Dear Chair Yamashita, Vice Chair Kitagawa & Committee Members,

The Chamber of Sustainable Commerce (CSC) testifies in strong support of SB393 HD2, which 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 to be made available to participants in the pre-litigation mediation pilot program.

As business owners who strive for a triple bottom line and know we can strengthen our economy without hurting workers, consumers, or the environment, we urge this committee to pass SB393 HD2 because it **aims to reduce tenant evictions and allows landlords to mitigate their losses and pay their mortgages.**

CSC urges this committee to **amend SB393 HD2 by capping the total amount of rent relief available to a household at \$8,000 - \$5,000 to cover arrears, plus six-monthly payments of \$500 to cover future rent.**

Hawaii Legislative Council	Maile Meyer Na Mea Hawaii Honolulu	Russel Rudderman Island Naturals Hilo / Kona	Tina Wildberger Kihei Ice Maui	Joell Edwards Wainiha Country Market Kauai	Kim Coco Iwamoto AQuA Rentals, LLC Honolulu
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April 4, 2023

The Honorable Kyle T. Yamashita, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: Senate Bill 393, SD1, HD2, Relating to the Landlord-Tenant Code

HEARING: Tuesday, April 4, 2023, at 3:00 p.m.

Aloha Chair Yamashita, Vice Chair Kitagawa, 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 provides **comments** on Senate Bill 393, SD1, HD1, which 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 to be made available to certain qualified participants in the pre-litigation mediation pilot program. Effective 6/30/3000.

HAR appreciates the intent of this measure and supports emergency rent relief as it helps both tenants struggling to make their rent payments as well as housing providers who may have mortgage payments. We also believe that if mediation is to occur to resolve disputes that it be conducted by trained professionals to ensure that the process is conducted efficiently and effectively for all parties. Finally, we are supportive of the sunset date of June 30, 2025 in this measure in order to be able to evaluate its impact. It is very important to measure the results of this pilot to ensure that both parties followed through on the agreement and that funding for rent relief is tracked.

We respectfully request an effective date of November 1st, to allow our organization time to update our *Rental Agreement Standard Form* and to educate our members on the required changes. HAR creates Standard Forms which are utilized by the entire industry and November is the timing for the next batch of updates for all of our Standard Forms after the legislative session ends.

Thank you for your consideration of our comments. Mahalo for the opportunity to testify.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for S.B. 393 HD2 SD1 SD1 – Relating to Eviction Mediation
House Committee on Finance
Tuesday, April 4, 2023, at 3:00PM, Conf. Rm. 308 and via Videoconference

Dear Chair Yamashita, Vice Chair Kitigawa, and members of the Committee on Finance:

Thank you for the opportunity to express our **STRONG SUPPORT for S.B. 393 HD2 SD1**, 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 ensure that the rent relief program created by this bill will have the greatest possible impact.

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

S.B. 393 HD2 SD1 is patterned off emergency rent relief and pre-litigation mediation (Act 57) programs created by the Hawai'i legislature in response to the pandemic—some of the most effective programs in the nation for preserving housing stability. 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, or hopeless about their situation, need additional assurances that the pre-litigation mediation and

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.

rent relief options available to them are an effective way to preserve their housing. Tenants will often need time and support getting back on track to housing stability.

How Rent Relief & Pre-Litigation Mediation Under S.B. 393 Will Work

S.B. 393 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 S.B. 393

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

- **Allocate sufficient resources for administration of the rent relief, mediation, outreach, navigation services and data collection, totalling \$14.378 million for each year of the program.**

The bill currently contemplates capping the annual amount of rent relief distributed to \$11.25 million, which could cover up to 2,250 households (out of the 2,500 that typically face eviction each year), with an average payout of \$5,000.

We recommend allocating \$1.438 million for mediation services, which were so critical to the program's success (the amount requested would provide an average of \$575 for each of the estimated 2,500 mediation files to be opened, and is based on costs associated with running the program during the pandemic).

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>).

We also recommend allocating \$1.725 million for administering the rent relief program.

Even a streamlined program carries some administration costs. It is important to include in those costs funding for outreach and navigation services. Outreach ensures tenants fully understand and make use of the opportunity mediation and rent relief present for preserving their housing. Navigators help tenants walk through what can be a daunting process, and they can connect tenants with resources that help them achieve long-term financial sustainability. Assuming 2,250 households receive rent relief, \$1.725 million would provide close to \$770 per household for administration, outreach, and navigation services.

- **Increase the cap on 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.

Increasing the cap any one household can receive can provide flexibility for when a higher amount for arrearage and future payments is necessary, but because most households will likely receive less than the full amount, increasing the per household cap need not increase the total cost of the program.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please **S.B. 393 HD2 SD1**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

THE KŪPUNA CAUCUS



FIN_04-04-23_1SB 898-393

TO: COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

CONCERNING: SB 898, SD2, HD1 (HSCR1400) RELATING TO KUPUNA HOUSING.
SB 393, SD1, HD2 (HSCR1537) RELATING TO THE LANDLORD-TENANT
CODE.

POSITION: FULL SUPPORT

Aloha Chair Yamashita and Vice Chair Kitagawa and Members of the Committee

Kūpuna Caucus of the Democratic Party of Hawai'i has an enrolled membership of over 2000 politically active seniors and we encourage you to pass SB898 and SB 393 in their current forms as vital to helping seniors retain or find safe housing.

Current economy is clearly stressful on everyone with limited incomes, but this situation presents even greater problems for a majority of seniors who are usually on a fixed income.

Costs for food, utilities, housing, clothing, transportation are continually rising, but they are not matched by equal increases in social security or supplemental social security, or the EBT food program (which has just gone down by \$95 a month) to name just a few senior resources.

More than ever seniors need more support to pay for established and new housing. For many of them the only other options are to live on the street, or quite simply, die.

SB898 will provide additional funding for seniors who are too close to becoming homeless. SB393 will also assist people on the verge of homelessness to negotiate for the additional time necessary for some of the State and Federal housing funding programs to come through.

I can speak from direct experience as I applied for emergency supplemental rent funding in June of 2022 to the City and County of Honolulu Rental and Utility Relief Program. My application did not begin the assessment process until February of this year. My eventual approval of the application took another month, and now we wait to see if my landlord will fill out the W9 tax form required by the program. I have been warned that even when that happens it may take months more for any funds to be made available.

Please give all of us the time necessary to resolve rent payment delays that are carried over from the pandemic's effect on our economy.

Martha Randolph for the Kūpuna Caucus of the Democratic Party of Hawai'i



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ADMINISTRATIVE & PROGRAM ASSISTANT
Kaitlyn Lacombe

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!

Testimony to the House Committee on Finance
Tuesday, April 4, 2023, 3:00 p.m.
Conference Room 308 & Videoconference

RE: Support of SB 393, HD2, SD1, Relating to Eviction Mediation

Dear Chair Yamashita, Vice Chair Kitigawa, and members of the House Committee on Finance:

As a local non-profit organization, we **strongly support SB 393, HD2, SD1**, 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.

To increase the impact of SB 393, HD2, SD1 we support the following amendments:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff, and outreach costs.
- Cap the total amount of rent relief available to a household at \$8,000: \$5,000 to cover arrears plus \$3,000 in six-monthly payments of \$500 each to cover future rent.

(Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute)

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. SB 393, HD2, SD1 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;



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LANDLORD TENANT MEDIATION SPECIALIST
Erika Ginnis

ADMINISTRATIVE & PROGRAM ASSISTANT
Kaitlyn Lacombe

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 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: Tuesday, April 4th at 3:00 P.M.
Senate Committee on Ways and Means (WAM)
Submitted by The Mediation Center of the Pacific, Inc.
S.B. 393 HD2 SD1 - Relating to Eviction Mediation

Dear Chair Yamashita, Vice Chair Kitigawa, and members of the Committee on Finance:

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT OF S.B. 393 HD2 SD1, 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. S.B. 393 HD2 SD1 SD1, 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 led to homelessness. The cost of eviction on individuals and households includes 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 S.B. 393 HD2 SD1

Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute, S.B. 393 HD2 SD1 could be strengthened through the following amendments:

- **Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services.** This amount would cover emergency rent assistance providers and mediation centers' administration, staff, and outreach costs.

- **Cap the total amount of rent relief available to a household at \$8,000** – \$5,000 to cover arrears, plus, six-monthly payments of \$500 to cover future rent.

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 **S.B. 393 HD2 SD1**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

A handwritten signature in black ink, appearing to read 'Tracey S. Wiltgen', with a small dot above the final letter.

Tracey S. Wiltgen Executive Director
The Mediation Center of the Pacific, Inc.

SB-393-HD-2

Submitted on: 4/2/2023 12:35:44 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

Support

SB-393-HD-2

Submitted on: 4/2/2023 1:26:31 PM

Testimony for FIN on 4/4/2023 3:00:00 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 SB393 SD1 HD2.

SB-393-HD-2

Submitted on: 4/2/2023 1:35:09 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Emily Garland	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 SB393 SD1 HD2.

SB-393-HD-2

Submitted on: 4/2/2023 11:00:19 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cory Harden	Individual	Support	Written Testimony Only

Comments:

Aloha legislators,

Please pass SB 393 to continue the successful mediation program for landlords and renters.

People without stable housing contribute less to the economy and may end up homeless, requiring government services. Mediation also frees up court calendars.

mahalo,

Cory Harden

SB-393-HD-2

Submitted on: 4/3/2023 9:51:56 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

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 SB393 SD1 HD2.

me ke aloha ‘āina,

Nanea Lo, Mō‘ili‘ili

SB-393-HD-2

Submitted on: 4/3/2023 9:45:21 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
jeanne wheeler	Individual	Support	Written Testimony Only

Comments:

Please pass this - Mahalo, JW