



The Judiciary, State of Hawai‘i

Testimony to the Thirty-Second Legislature, 2024 Regular Session

House Committee on Finance

Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

Monday, February 26, 2024 at 12:30 p.m.
State Capitol, Conference Room 308 & Videoconference

by

Hon. Jeffrey P. Crabtree (ret.)
Director, Center for Alternative Dispute Resolution

Bill No. and Title: House Bill No. 2642, H.D. 2, Relating to Eviction Mediation.

Purpose: Beginning 11/1/2024: extends the period for a notice of termination of a rental agreement; requires tenants and landlords to engage in mediation; delays filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10-calendar-day notice to tenants. Appropriates funds. Repeals 11/1/2026. Effective 7/1/3000. (HD2)

Judiciary's Position:

The Hawai‘i State Judiciary Center for Alternative Dispute Resolution strongly supports House Bill No. 2642, H.D. 2, which establishes and funds a pre-litigation mediation pilot program.

Despite the ending of the restrictions and closures created by the pandemic, the number of eviction filings in Hawai‘i continues to grow. According to research by Hawai‘i Appleseed Center for Law and Economic Justice, there are an estimated 2,500 evictions filed each year across the state of Hawai‘i.

Finding ways to resolve disputes between landlords and tenants and enhance housing stability benefits everyone. The pre-litigation mediation program will increase housing stability by

encouraging tenants and landlords to coordinate in conflict resolution, thus enabling tenants to remain housed and providing landlords with their rental income.

Pre-litigation mediation programs for landlords and tenants have a proven track record of success in Hawai‘i. In 2021, in response to the ending of the moratorium on evictions and the creation of Act 57, Hawai‘i established a statewide early landlord-tenant mediation program to prevent evictions. The results of this Program, in a one-year period, are compelling:

- 1,660 landlord-tenant cases involving past-due rent were mediated;
- 1,415 or 85% reached agreement enabling more than 1,140 tenants to remain in their residence.

It is clear that rent relief was important to the success of Act 57, and so was pre-litigation mediation. Early mediation helps the parties reach an agreement before extra costs are incurred in litigation causing positions to harden. The statistics bear this out. After the rent relief program expired, the Mediation Center of the Pacific (“MCP”) continued with its pre-litigation mediation program. MCP reports it received 383 requests for early mediation, primarily from tenants. Not all of those requests were mediated because many landlords declined as they were not required to participate. Of the 383 requests, 119 tenants and landlords did mediate. Eighty mediations reached agreement. That's 67% – a strong rate of success even without rent relief.

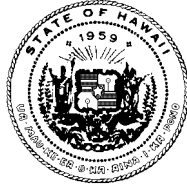
Like the Act 57 Program, House Bill No. 2642, H.D. 2 will encourage landlords and tenants to start talking and negotiating agreements before going to court and will build a bridge towards creating a permanent early mediation program in the future.

Ideally, a pre-litigation mediation program helps keep tenants in their residences. In the alternative, it can help them with extra time to find another place they can afford.

Finally, evictions create large costs to taxpayers. According to estimates provided by the "Eviction Cost Calculator," developed by Innovation for Justice, a social justice-focused legal innovation lab, Hawai‘i’s estimated 2,500 annual evictions led to over \$30 million in public costs resulting in the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care and juvenile detention. Establishing a pre-litigation landlord-tenant mediation program can help reduce the social and financial harm caused by evictions.

Mahalo for the opportunity to testify on this important bill.

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

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 25, 2024

To: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance
FROM: Cathy Betts, Director
SUBJECT: **HB 2642 HD2 – RELATING TO EVICTION MEDIATION.**

Hearing: February 14, 2024, 2:00 p.m.
Conference Room 329, State Capitol & Video Conference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and defers to the Judiciary, the Department of Commerce & Consumer Affairs, and organizations that provide mediation services. DHS also provides a comment of concern.

PURPOSE: Beginning 11/1/2024, this bill extends the period for a notice of termination of a rental agreement; requires tenants and landlords to engage in mediation; delays filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10-calendar-day notice to tenants.

Appropriates funds. Repeals 11/1/2026. Effective 7/1/3000. (HD2)

The Committee on Housing amended the measure by:

- (1) Specifying that if either the tenant or landlord schedules mediation, both parties shall participate;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

The Committee on Consumer Protection & Commerce further amended the measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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

DHS also supports proposals that add funds for rent relief and rent subsidy programs. Rental assistance will help families who are having difficulty meeting their housing needs and contribute to a more resilient community. Providing rent relief and subsidy funds that prevent evictions may also decrease more costly health care, education, justice, and other social services expenditures long term.

DHS is concerned with the proviso regarding attorney fees in paragraph (h), page 9, lines 16 – 20, requiring the tenant to pay attorney's fees, including those incurred during mediation. DHS suggests deleting the proviso as despite the tenant's good faith participation in mediation, the lack of available housing inventory makes it very difficult to find an affordable rental to move into, and adding additional debt upon the tenant may lead tenants to vacate to the beach or other overcrowded living situations.

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



CATHOLIC CHARITIES HAWAII

**TESTIMONY IN SUPPORT OF HB 2642 HD2:
RELATING TO EVICTION MEDIATION**

TO: House Committee on Finance
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Monday, 2/26/24; 12:30 PM; via Videoconference and CR 308**

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

Thank you for the opportunity to testify in support of **HB 2642 HD2**, which establishes and funds a pre-litigation mediation pilot program. I am Rob Van Tassell, with Catholic Charities Hawai'i. **We also urge you to add a rent-relief program to this measure to more effectively prevent evictions.**

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.

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. . Historically, Hawai'i has had about 2,500 eviction filed with the courts each year. The eviction prevention programs developed during the pandemic demonstrated that these programs were highly effective to keep tenants housed and provide financial stability for landlords.

Catholic Charities Hawai'i urges you to **add a rent-relief program to this pre-litigation mediation program.** Both tenants and landlords must benefit from this process to enable tenants to remain in housing. The key for landlords is to get the rent due to them. Without the possibility of rent relief, this may just drag out the eviction process. This would add more stress and trauma for both tenants and landlords.

Hawai'i's people depend on all of us to continue to pay attention to the high personal and systems costs for eviction. **The community costs are great. An estimated \$30 million in public and emergency services are needed due to evictions.** Mediation and getting landlords and tenants to talk is very important. So is rent relief.

Let's close the spigot and reduce the flow of families into homelessness. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.



February 26, 2024

The Honorable Kyle T. Yamashita, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: House Bill 2642 HD2, Relating to Eviction Mediation

HEARING: Monday, February 26, 2024, at 12:30 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 Hawaii and its over 11,000 members. HAR provides **comments** on House Bill 2642 HD2, which beginning 11/1/2024: extends the period for a notice of termination of a rental agreement; requires tenants and landlords to engage in mediation; delays filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10-calendar-day notice to tenants. Appropriates funds. Repeals 11/1/2026. Effective 7/1/3000.

We appreciate the intent of this measure and support peaceful and expeditious mediation coupled with rent relief to aid struggling tenants. During the COVID-19 pandemic when there was an eviction moratorium, Act 57 was passed to create a mediation process for housing providers and tenants to engage in. A large part of the success of the program was that emergency rent relief was available and it was often paid directly to the housing provider. This helped both tenants struggling to make their rent payments as well as housing providers who may have mortgage payments. **Without emergency rent relief, the mediation process alone may not help these tenants who are struggling to pay rent.**

Additionally, the proposed measure extends the notice period for unpaid rent from 5 business days to 10 calendar days. However, it lacks a specific timeframe for completing mediation. Extending the notice period without setting a fixed mediation completion deadline could further prolong the process.

Mahalo for the opportunity to provide comments on this measure.



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: **HB 2642 HD2 – Relating to Eviction Mediation**
Hawai'i State Capitol & Via Videoconference
February 26, 2024, 12:30 PM

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

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 2642 HD2**. This bill extends the period for a notice of termination of a rental agreement; requires landlords and tenants to engage in mediation, delays filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10-calendar-day notice to tenants.

We respectfully request that you add a rent relief program to this bill in order to make it more effective at preventing evictions. A program that combined mediation and rent relief during the height of the pandemic was 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 117,000 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 39% of all children in our state, ranking Hawai'i a concerning 49th 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

Hawai'i had a housing affordability and homelessness crisis long before the pandemic, and our families with keiki are still suffering the consequences of it. That's why this type of program is so important.

Mahalo for the opportunity to provide this testimony. Please pass this bill with our suggested amendment.

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://assets.aecf.org/m/resourcedoc/aecf-2023kidscountdatobook-2023.pdf>

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

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

HB-2642-HD-2

Submitted on: 2/25/2024 12:44:23 PM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara	Waipahu Safe Haven Center	Support	Written Testimony Only

Comments:

TESTIMONY IN SUPPORT OF HB2642 HD2: (Eviction Mediation

Without Rent Relief)

House Committee on Finance

Hearing Date:February 26. 2024 12:30pm

Dear Members of the House Committee on Finance

I am testifying in support of HB2642 HD2, while respectfully asking the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program.

Providing a combination of properly funded eviction mediation with a rent relief fund for struggling tenants is key to keeping people housed and preventing evictions. This combination is modeled after the highly successful Act 57 (2021) program, which required landlords-tenant mediation before eviction filing and tied rent relief to the mediation services. This program helped to stabilize renters in their homes during the COVID-19 pandemic, preventing the tsunami of evictions that the state had expected in the wake of the pandemic. Act 57 has been recognized as a national success in securing renters and distributing relief payments.

In researching the impacts of Act 57, Hawai'i Appleseed determined that a big reason for the success of its landlord-tenant mediation program was that parties could count on rental relief payments as part of the mediation process. With the expiration of Act 57 in 2022, there is currently no protection for tenants to keep them out of the harmful eviction process, and no source of funds to make landlords whole.

Evictions harm everyone involved, especially to the individual or family losing their home who, in the worst scenarios, may end up living unsheltered. But evictions also harm landlords, who miss out on rent, and they harm the public. Hawai'i's estimated 2,500 annual evictions cost taxpayers over \$30 million each year.

Hawai'i Appleseed research shows that for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services. This

program should be viewed as an investment that will save the state 6 times the cost of the program in reduced costs elsewhere.

Ten states have implemented permanent rent relief and assistance programs, and Hawai'i should join them, while leading the way with its innovative mediation program. Please add a permanent rent relief fund to this measure and pass it.

Waipahu Safe Haven Immigrant/Migrant Resource Center participated with the City and County's Rent and Utilities relief for the low income multilanguage language community we served during the Pandemic. Without the rent relief during this period many of our families would be homeless. While this prevented many evictions, they are still struggling today with catching up in their rental payments and are at risk of evictions even while going through mediations.

I support HB2642 HD2 and ask for your consideration of an amendment to the measure. Thank you for your support and consideration,

Barbara Tom, Director

Waipahu Safe Haven Immigrant/Migrant Center

House Committee on Finance
Hearing Date: Monday, February 26, 2024

Submitted by The Mediation Center of the Pacific, Inc.
HB 2642 HD2 - Relating to Eviction Mediation

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Mediation Center of the Pacific strongly supports HB 2642 HD2. Evictions are harmful for everyone involved. Landlords and tenants both want stability in housing arrangements. For landlords, the process of eviction and finding new tenants is costly. For tenants and their families, the costs are even higher: A forced move may mean the loss of their security deposit and belongings, a change in schools, a longer commute to work, and a negative mark on their rental history that can make finding suitable housing more difficult. For some tenants, eviction will result in homelessness. Finding ways to resolve disputes between landlords and tenants and to increase housing stability benefits everyone. A pre-litigation mediation program supported by HB 2642 will increase housing stability by encouraging tenants and landlords to work out agreements early, enabling the tenants to remain housed and providing the landlords with their rental income.

Pre-litigation mediation programs for landlords and tenants have a proven track record of success in Hawaii. In 2021, in response to the ending of the moratorium on evictions and the creation of Act 57, Hawai'i established a statewide early landlord-tenant mediation program to prevent evictions. Through the Program, in a one-year period, 1,660 landlord-tenant cases involving past due rent were mediated, with 1,415 or 85% reaching agreement and enabling more than 1,140 tenants to remain in their residence. Like the Act 57 Program, HB 2642 HD2 will encourage landlords and tenants to start talking and negotiating agreements before going to court and will build a bridge towards creating a permanent early mediation program in the future.

Despite the ending of the restrictions and closures created by the pandemic, the number of eviction filings in Hawaii continues to grow. According to research by Hawai'i Appleseed Center for Law and Economic Justice, there are an estimated 2,500 evictions filed each year across the state of Hawaii. Evictions are harmful to the housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can lead to homelessness. The cost of eviction on individuals and households 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. A pre-litigation mediation program is needed to keep tenants in their residences or alternately provide them with sufficient time to find an alternate location they can afford.

Finally, evictions also create large public costs. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care and juvenile detention. Establishing a pre-litigation landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions.

Please PASS HB 2642 HD2, 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.

PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

TESTIMONY IN SUPPORT OF HB2642HD2: RELATING TO EVICTION MEDIATION

TO: Senate Committee on Finance
FROM: Partners In Care (PIC)
Hearing: **Thursday, February 26th, 2024; 12:30 pm; Room 308 & via videoconference**

Chair Yamashita, Vice Chair Kitagawa and Members of the Senate Committee on Finance:

Partners In Care (PIC) is a coalition of more than 60 non-profit homelessness providers and concerned organizations. The crisis of homelessness and the lack of affordable housing makes this measure so important to pass with an amendment. We respectfully ask the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program. A combination of a properly-funded eviction mediation program with a rent relief fund for struggling tenants is key to keeping people housed and preventing evictions and homelessness. During COVID, the Mediation Program enabled thousands of individuals to remain housed during one of the most challenging times. Act 57 has been recognized as a national success in securing renters and distributing relief payments. This enabled renters to stay housed and landlords to receive payments following mediation. Currently, there is no protection for tenants and no source of funds to make landlords whole.

Evictions harm everyone involved, especially to the individual or family losing their home who, in the worst scenarios, may end up living unsheltered. But evictions also harm landlords, who miss out on rent, and they harm the public. Appleseed estimates that Hawai'i's has approximately 2,500 annual evictions which cost taxpayers over \$30 million each year.

Thank you for the opportunity to provide written testimony **in support HB 2642 HD 2**, Relating to Eviction Mediation.

Sincerely,



Laura E. Thielen
Executive Director
Partners In Care



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for H.B. 2642 HD2– Relating to Eviction Mediation
House Finance
Monday, February 26, 2024, at 12:30PM, Conf. Rm. 308 and via Videoconference

Dear Chair Yamashita, Vice Chair Kitagawa, and fellow committee members:

Thank you for the opportunity to express our support for the intent of this bill and offer our **COMMENTS on HB2642 HD2**, which will establish a pre-litigation mediation. We also offer suggested amendments to provide rent relief attached to pre-litigation mediation.

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. HB2642 attempts to recreate the lessons learned from these programs, which were so effective during the pandemic but falters without rent relief.

Even as the health threats of the pandemic subside, **rent assistance remains a critical component to ensuring housing stability and preventing evictions.** There are an estimated 2,500 evictions filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can lead to homelessness. The cost of eviction on individuals and households include, but is not limited to: interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression, and; impaired legal records which make it harder to find future housing. Without rent relief, mediation services are simply “kicking the can down the road” until the tenant is either evicted or self evicts.

Evictions also create large public costs. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai‘i’s estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care and juvenile detention. According to research by Hawai‘i Appleseed Center, **for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.** Ten states have implemented permanent rent relief and assistance programs, below are examples with appropriations and funding mechanisms that these states have utilized to continue rent relief programs:

- Connecticut, “Rent Bank Program”, \$1.5M FY23, Community Investment Account
- Washington D.C., “Emergency Rental Assistance Program”, \$50M FY23; FY24 \$2.2M, State and Local Appropriations
- Massachusetts, “RAFT Program”, \$190M FY24, state budget
- Maryland, “Rental Allowance Program”, \$2M FY24, General Fund

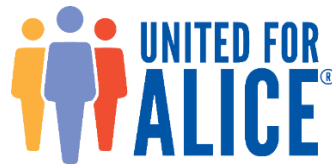
- Minnesota, “Family Homeless Prevention and Assistance Program”, \$50M FY23; \$55M FY24; \$10M FY25, General Fund
- New Jersey (all municipalities), “Comprehensive Eviction Defense and Diversion (CEDD) Program”, \$7.4M FY23, ARPA
- New York, Emergency Rental Assistance Program; \$389M FY23, General Fund
- Multnomah County (OR), Emergency Rental Assistance, \$3.6M FY24, ARPA Direct County Funding
- Virginia, Virginia Eviction Reduction Pilot, \$2.9M CY23
- King County (WA), “Keep King County Housed”, \$20M FY23, State Document Recording Fees

To strengthen and further the impact of HB2642 HD2, Hawai‘i Appleseed recommends including language from HB1439, Part II which establishes a rent relief program attached to pre-litigation landlord tenant mediation. Adding a section for rent relief is likely to make the program more effective, and will give tenants the necessary time to attain financial stability instead of simply delaying the eviction process. Mediation can only do so much to keep a tenant housed if it does not have rent relief attached to it.

We understand the total appropriation for the judiciary to contract for mediation services is blank in the current draft, and we want to emphasize the importance of including sufficient amounts for the administration of the program to cover the “true costs” of the administering entities. Ideally, funding will also be included for the provision of navigator services that can assist tenants with finding ways to attain financial stability and rent relief to make the program stronger.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please **AMEND HB2642 HD2 with a section for rent relief**, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.



COMMITTEE ON FINANCE

HB2642 HD2
POSITION: SUPPORT

Hearing Date: February 26, 2024

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

Aloha United Way supports HB2642 HD2, which beginning 11/1/2024: extends the period for a notice of termination of a rental agreement; requires tenants and landlords to engage in mediation; delays filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10 calendar-day notice to tenants.

Hawaii has the highest cost of living in the nation and imposes one of the highest tax burdens on low-income households, and we urge you to pass this bill and support Hawaii's working families, including ALICE households. By establishing a pilot program that adopts effective provisions from Act 57, such as extending the notice period for termination of rental agreements, requiring early mediation, and providing specific information in the notice to tenants, this bill seeks to prevent evictions and promote collaborative solutions.

Additionally, the appropriation of funds for the pre-litigation mediation pilot program ensures the effective implementation of these measures and supports the provision of mediation services for residential landlord-tenant disputes. HB2642 HD2 represents a proactive approach to addressing rental payment issues and fostering constructive dialogue between landlords and tenants.

ALICE stands for Asset Limited, Income Constrained, Employed, and refers to households who are employed but whose incomes are not sufficient to meet their basic costs. According to our 2022 report an estimated **44% of Hawaii's households are ALICE households**, with an increasing number falling into poverty.

Thank you for the opportunity to testify and for your action to support ALICE families and the non-profit programs working to improve financial stability in Hawaii. We urge you to pass HB2642 HD2 to benefit ALICE families socially and economically.

Sincerely,

A handwritten signature in blue ink that reads "Suzanne Skjold".

Suzanne Skjold
Chief Operating Officer
Aloha United Way

HB-2642-HD-2

Submitted on: 2/24/2024 7:21:39 PM

Testimony for FIN on 2/26/2024 12:30:00 PM

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

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the House Committee on Finance,

I am in STRONG SUPPORT of HB2642 HD2. We have seen how this program, *which needs to include rent relief* in order to make it effective, has supported hundreds of Hawai'i's families in being able to remain housed and in preventing increases in homelessness during the pandemic. Our housing crisis has only been exacerbated in recent years and this program is proven to be a win-win solution for renters as well as their landlords.

Mahalo for your consideration.

HB-2642-HD-2

Submitted on: 2/25/2024 9:20:32 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

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

Comments:

I am testifying in support of HB2642 HD2, while respectfully asking the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program.

Providing a combination of properly-funded eviction mediation with a rent relief fund for struggling tenants is key to keeping people housed and preventing evictions. This combination is modeled after the highly successful Act 57 (2021) program, which required landlords-tenant mediation before eviction filing and tied rent relief to the mediation services. This program helped to stabilize renters in their homes during the COVID-19 pandemic, preventing the tsunami of evictions that the state had expected in the wake of the pandemic. Act 57 has been recognized as a national success in securing renters and distributing relief payments.

In researching the impacts of Act 57, Hawai'i Appleseed determined that a big reason for the success of its landlord-tenant mediation program was that parties could count on rental relief payments as part of the mediation process. With the expiration of Act 57 in 2022, there is currently no protection for tenants to keep them out of the harmful eviction process, and no source of funds to make landlords whole.

Evictions harm everyone involved, especially to the individual or family losing their home who, in the worst scenarios, may end up living unsheltered. But evictions also harm landlords, who miss out on rent, and they harm the public. Hawai'i's estimated 2,500 annual evictions cost taxpayers over \$30 million each year.

Hawai'i Appleseed research shows that for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services. This program should be viewed as an investment that will save the state 6 times the cost of the program in reduced costs elsewhere.

Ten states have implemented permanent rent relief and assistance programs, and Hawai'i should join them, while leading the way with its innovative mediation program. Please add a permanent rent relief fund to this measure and pass it.

HB-2642-HD-2

Submitted on: 2/25/2024 9:26:50 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Support	Written Testimony Only

Comments:

support

HB-2642-HD-2

Submitted on: 2/25/2024 10:22:54 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lorna Holmes	Individual	Support	Written Testimony Only

Comments:

Rent relief is essential to a successful eviction mediation program. Ten states have implemented permanent rent relief and assistance programs, and Hawai‘i should join them, while leading the way with its innovative mediation program. Please add a permanent rent relief fund to this measure and pass it.

HB-2642-HD-2

Submitted on: 2/25/2024 11:13:34 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

I am testifying in support of HB2642 HD2, while respectfully asking the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program.

Providing a combination of properly-funded eviction mediation with a rent relief fund for struggling tenants is key to keeping people housed and preventing evictions. This combination is modeled after the highly successful Act 57 (2021) program, which required landlords-tenant mediation before eviction filing and tied rent relief to the mediation services. This program helped to stabilize renters in their homes during the COVID-19 pandemic, preventing the tsunami of evictions that the state had expected in the wake of the pandemic. Act 57 has been recognized as a national success in securing renters and distributing relief payments.

In researching the impacts of Act 57, Hawai‘i Appleseed determined that a big reason for the success of its landlord-tenant mediation program was that parties could count on rental relief payments as part of the mediation process. With the expiration of Act 57 in 2022, there is currently no protection for tenants to keep them out of the harmful eviction process, and no source of funds to make landlords whole.

Evictions harm everyone involved, especially to the individual or family losing their home who, in the worst scenarios, may end up living unsheltered. But evictions also harm landlords, who miss out on rent, and they harm the public. Hawai‘i’s estimated 2,500 annual evictions cost taxpayers over \$30 million each year.

Hawai‘i Appleseed research shows that for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services. This program should be viewed as an investment that will save the state 6 times the cost of the program in reduced costs elsewhere.

Ten states have implemented permanent rent relief and assistance programs, and Hawai‘i should

join them, while leading the way with its innovative mediation program. Please add a permanent rent relief fund to this measure and pass it.

HB-2642-HD-2

Submitted on: 2/25/2024 3:26:58 PM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Leilani Stacy	Individual	Support	Written Testimony Only

Comments:

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HB-2642-HD-2

Submitted on: 2/25/2024 4:24:01 PM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
M. Llanes	Individual	Support	Written Testimony Only

Comments:

Dear House Finance Chair Kyle Yamashita:

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Mahalo,
MeleLani Llanes
Makakilo, O'ahu

HB-2642-HD-2

Submitted on: 2/25/2024 5:56:58 PM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kimi Palacio	Individual	Support	Written Testimony Only

Comments:

I am testifying in support of HB2642 HD2, while respectfully asking the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program.

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**Submitted by Laurie Arial Tochiki
HB 2642 HD2 - Relating to Eviction Mediation**

I am writing to express my STRONG SUPPORT OF HB 2642 HD2, which establishes and funds a pre-litigation mediation pilot program.

I serve as Chair of the Board of Directors of the Mediation Centers of Hawai'i. The Mediation Centers of Hawai'i unites the Mediation Centers across the state in order work collaboratively and to promote the effectiveness of mediation processes to solve many problems that face members of our community every day.

In response to the pandemic, and eviction mediation program was established to stem the negative consequences of evictions. We learned a lot in that process, including the tremendous impact the program had helping tenants and landlords. Both landlords and tenants benefit from stability in housing arrangements. Both landlords and tenants benefit from curtailing the cost of eviction litigation. The community benefits because housing stability is a critical issue in Hawai'i.

A pre-litigation mediation program supported by HB 2642 will increase housing stability by encouraging tenants and landlords to work out agreements early, enabling the tenants to remain housed and providing the landlords with their rental income.

In a one year period starting in 2021, 1,660 landlord-tenant cases involving past due rent were mediated, with 1,415 or 85% reaching agreement and enabling more than 1,140 tenants to remain in their residence. We will benefit from the continuation of this program. HB 2642 will encourage landlords and tenants to start talking and negotiating agreements before going to court and will build a bridge towards creating a permanent early mediation program in the future.

This is an urgent problem affecting more than 2000 individuals and families in Hawai'i each year. Please PASS HB 2642, to help prevent evictions and keep our island residents housed.

Mahalo,
Laurie Arial Tochiki, JD, Ph.D



Hawai'i Housing Affordability Coalition

Testimony of the Hawai'i Housing Affordability Coalition
Support for H.B. 2642 HD2 – Relating to Eviction Mediation

House Committee on Housing

Friday, February 2, 2024, at 10:00AM, Conf. Rm. 312 and via Videoconference

Dear Chair Evslin, Vice Chair Aiu, and fellow committee members:

HiHAC is submitting testimony in SUPPORT WITH AMENDMENTS OF HB2642 HD2, which establishes and funds a pre-litigation mediation pilot program. We also provide suggested amendments to strengthen the legislation.

Evictions carry detrimental consequences that extend beyond the immediate displacement of households. They disrupt communities, strain social services, undermine economic stability, and perpetuate cycles of poverty and inequality.

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 further exacerbate the cases of homelessness which creates large public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care services. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs.

As a result of the Covid-19 pandemic and to mitigate the spread of the virus, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions. These programs combined kept over 13,000 families stably housed during the pandemic and was one of the most successful eviction-prevention programs in the nation. Having both tools available for landlords and tenants who went through mediation resulted in 87% of eviction cases settling, compared to the norm of 47%.

With HB2642, we commend the legislature for replicating the mediation program that proved highly effective during the pandemic. However, the absence of a rent assistance program attached will undermine its effectiveness in preventing evictions and maintaining housing stability.

Therefore, to strengthen and further the impact of HB2642, **HiHAC recommends including language which establishes a rent relief program attached to pre-litigation landlord tenant mediation.** Rent relief should include payments to cover both outstanding arrears and supplement payments for future rent. If not included, it may simply just delay the eviction process. It's important to offer households the necessary time and resources to



Hawai'i Housing Affordability Coalition

attain financial stability, thereby mitigating the risk of future evictions. 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.**

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please **AMEND AND PASS HB2642 HD2 with language to include rent relief** to help prevent evictions and keep our community housed.

Mahalo for the opportunity to testify,

HiHAC
Hawai'i Housing Affordability Coalition

HB-2642-HD-2

Submitted on: 2/26/2024 7:18:14 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Wakatake	Individual	Support	Written Testimony Only

Comments:

I am testifying in strong support of HB2642 HD2, while respectfully asking the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program.

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Hawai‘i Appleseed research shows that for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services. This program should be viewed as an investment that will save the state 6 times the cost of the program in reduced costs elsewhere.

Ten states have implemented permanent rent relief and assistance programs, and Hawai‘i should

join them, while leading the way with its innovative mediation program. Please add a permanent rent relief fund to this measure and pass it.

Thank you for your consideration,

Linda Wakatake

HB-2642-HD-2

Submitted on: 2/26/2024 7:36:59 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lawrence S Franco	Individual	Support	Written Testimony Only

Comments:

On Maui, landlords are evicting present tenants to make more money with FEMA rent payments. This needs to stop and having mediation as a requirement before eviction will help in stopping this practice.

HB-2642-HD-2

Submitted on: 2/26/2024 10:02:12 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeff Gilbreath	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

I am testifying on behalf of Hawaii Community Lending (HCL), a US Treasury certified native community development financial institution, to support HB2642 HD2, while respectfully asking the committee to consider a critical amendment to the measure that will dramatically increase the efficacy of the proposed program.

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Ten states have implemented permanent rent relief and assistance programs, and Hawai‘i should join them, while leading the way with its innovative mediation program. Please add a permanent rent relief fund to this measure and pass it.

Mahalo for your time and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions.

Jeff Gilbreath

Executive Director

Hawaii Community Lending

HB-2642-HD-2

Submitted on: 2/26/2024 10:34:30 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jason Monson	Individual	Support	Written Testimony Only

Comments:

I am writing to support HB2642 HD2. I think the committee should make an important change to the program. We need to help people who might lose their homes. One way to do this is by combining eviction mediation with a fund to help tenants pay rent. This idea comes from a successful program called Act 57 in 2021. It helped renters during COVID-19 by stopping many evictions. But now Act 57 has ended, and tenants don't have protection anymore.

Evictions hurt everyone. People lose their homes, and landlords miss out on rent money. Even taxpayers pay a lot—over \$30 million each year for 2,500 evictions in Hawai'i. Research shows that spending money on rental help and mediation saves more money in the long run. It's like an investment that pays off six times over. Hawai'i should join the ten states that have programs to help people pay rent and create a fund to help renters. Let's add a permanent relief fund and pass this measure!