



The Judiciary, State of Hawai‘i

Testimony to the Thirty-Third Legislature, 2025 Regular Session

House Committee on Consumer Protection & Commerce

Representative Scot Z. Matayoshi, Chair
Representative Cory M. Chun, Vice Chair

Wednesday, January 29, 2025 at 2:00 p.m.
State Capitol, House Conference Room 329

By

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

WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 1433, Relating to Eviction Mediation.

Purpose: Beginning 2/5/2026, extends the period for a notice of termination of a rental agreement; requires landlords to engage in mediation and delay 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. Repeals 2/4/2027. Appropriates moneys.

Judiciary's Position:

The Judiciary SUPPORTS this measure. When the COVID-19 pandemic began, thousands of evictions were predicted to overwhelm the court system. However, enacting and implementing Act 57, Session Laws of Hawai‘i 2021, helped prevent this crisis. Act 57 modified the notice requirements for residential summary possession cases, mandated pre-filing mediation, and made funding available for pre-filing mediation services and rent relief. As a result, 85 percent of the 1,660 cases mediated statewide under Act 57 settled without litigation. In the First Circuit, 85 percent of these settlements allowed tenants to remain in their homes, demonstrating the effectiveness of combining pre-filing mediation with rent relief to prevent evictions. Please refer to the Judiciary’s testimony of HB1439 (2023).



House Bill No. 1433, Relating to Eviction Mediation
House Committee on Consumer Protection & Commerce
Wednesday, January 29, 2025
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This success also occurred on a national scale, as shown by the National Center for State Courts (NCSC) Eviction Diversion Initiative. Launched in early 2021, the initiative has expanded to 24 state and local courts across 17 states, with the courts offering eviction diversion programs that include, among other services, pre-eviction mediation and assistance with applying for rental relief. Across these courts, 53 percent of tenants stayed in their homes when mediation or financial assistance was secured. In Clatsop County Circuit Court (Oregon), every mediated eviction case resulted in no eviction judgment. In Allen County Superior Court (Indiana), only 6 percent of filed summary possession cases proceeded to trial. In the Las Vegas Justice Court, social workers helped tenants apply for more than \$2 million in rental assistance, leading to the dismissal or denial of 78.5 percent of eviction cases.

The Judiciary respectfully requests that any appropriations for this bill not supplant the Judiciary's existing funding and current budget requests.

Thank you for the opportunity to testify on this measure.

Committee on Consumer Protection & Commerce
Hearing Date: Wednesday, January 29, 2025

Submitted by The Mediation Center of the Pacific, Inc.
HB 1433 - Relating to Eviction Mediation

Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT of HB 1433, which establishes and funds a pre-litigation mediation pilot program.

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 1433 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 1433 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.

While pairing early mediation with rental assistance is valuable as demonstrated by the Act 57 program, even when early mediation is not paired with rental assistance, mediating prior to filing an eviction process increases the likelihood of tenant and landlord reaching an agreement. Over the past two years, The Mediation Center of the Pacific mediated 96 early eviction cases, 86 or 90% of which resulted in final agreements between landlord and tenant when no rental assistance was available.

With Hawaii's high cost of living, the number of evictions remains high. Tenants fall behind and are too overwhelmed or ashamed to approach their landlord about the situation. When the amount of past due rent grows, landlords rely on the eviction process to remove the tenant and start over. A pre-litigation mediation program is needed to encourage tenants and landlords to talk early, before the tenant is so far behind, and a

payment plan isn't feasible. Through mediation, tenants and landlords can agree on payment plans that keep tenants in their residences or alternately, reach agreements that provide tenants with sufficient time to find an alternate location they can afford.

Evictions 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 and help create housing stability for all.

Please PASS HB 1433, to help prevent evictions and keep our island residents housed.

Sincerely,

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.

Committee on Consumer Protection & Commerce
Hearing Date: Wednesday, January 29, 2025

LATE

Submitted by Laurie Arial Tochiki, Chair, Mediation Centers of Hawai'i
HB 1433 - Relating to Eviction Mediation

Dear Chair Matayoshi, and Members of the Committee:

I am writing to express my STRONG SUPPORT OF HB 1433, which extends the period for a notice of termination of a rental agreement; requires landlords to engage in mediation and delay 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.

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, a pre-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. The devastating effects of the Maui wildfires will have a prolonged affect on the lives of many Maui residents. Mediation is a proven and effective way to improve communication and promote a balanced approach to the crisis. Throughout our state, 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 1433 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.

HB 1433 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.

Mahalo,
Laurie Arial Tochiki, JD, Ph.D



808-737-4977

1288 Ala Ala Street, Suite 300
Honolulu, HI 96817

January 29, 2025

The Honorable Scot Z. Matayoshi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Conference Room 329 & Videoconference

RE: House Bill 1433, Relating to Eviction Mediation

HEARING: Wednesday, January 29, 2024, at 2:00 p.m.

LATE

Aloha Chair Matayoshi, Vice Chair Chun, and Members of 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 10,000 members. HAR provides **comments** on House Bill 1433, which beginning 2/5/2026, extends the period for a notice of termination of a rental agreement; requires landlords to engage in mediation and delay 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. Repeals 2/4/2027. Appropriates moneys.

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.

We are also concerned that the proposed measure extends the notice period for unpaid rent from 5 business days to 10 calendar days. Additionally, there is no specific timeframe for completing the mediation. As such, HAR has concerns that this could lead to added delays. Extending the notice period without setting a timeframe for the mediation process to be completed could further prolong the process.

Mahalo for the opportunity to provide testimony on this measure.



LATE

HB-1433

Submitted on: 1/29/2025 9:18:07 AM

Testimony for CPC on 1/29/2025 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|-------------------------------------|--------------------|------------------------|
| Roberta Hickey-Gomez | The Mediation Center of The Pacific | Support | Written Testimony Only |

Comments:

Committee on Consumer Protection & Commerce

Hearing Date: Wednesday, January 29, 2025

Submitted by Roberta Hickey-Gomez,

Special Programs Innovator, The Mediation Center of the Pacific

HB 1433 - Relating to Eviction Mediation

Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT of HB 1433, which establishes and funds a pre-litigation mediation pilot program.

Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee,

The Mediation Center of the Pacific is submitting this testimony in support of HB 1433, which seeks to establish and fund a pre-litigation mediation pilot program. This program has the potential to significantly improve housing stability across the state, benefiting not only individual tenants and landlords but also our broader community.

As the Program Manager for the Early Eviction Mediation Program, I have seen firsthand how eviction can affect landlords, tenants, and the overall community. Housing stability is essential for both tenants and landlords, who represent a wide range of individuals in our communities, including working families with keiki, Kupuna, and individuals from all walks of life.

For landlords, the eviction process can be both costly and time-consuming, as it requires finding new tenants and incurring additional expenses. Furthermore, there are many Kupuna and families who often rely on rental income. For tenants, the emotional and financial costs are even more profound. Forced moves can result in the loss of security deposits, disruption in children’s education, longer commutes, and negative marks on rental histories, making it harder to secure housing in the future. This may even involve removal from section 8 and essential subsidy assistance programs. In the most severe cases, eviction can lead to homelessness, further burdening our community.

This is why early intervention through pre-litigation mediation is so important. Research has shown that when landlords and tenants engage in mediation before the eviction process begins, the chances of reaching an agreement are significantly higher. This approach not only increases housing stability but also strengthens communities by fostering positive resolutions and reducing conflict.

Even when rental assistance is not available, the Mediation Center of the Pacific's program has demonstrated the effectiveness of early mediation. Over the past two years, we mediated 96 early eviction cases, with 90% resulting in agreements that benefitted both landlords and tenants. This success rate highlights the value of early intervention, which helps ensure tenants can remain in their homes while landlords continue to receive rental income—avoiding the disruptions and costs of formal eviction proceedings. This program has largely grown through word of mouth, driven by the positive outcomes for both parties. With the support of the legislature, we can build on this foundation and ensure that the program reaches its full potential, maximizing its impact for the community.

Given Hawai'i's high cost of living, evictions continue to be a challenge. Tenants often fall behind on rent and may feel too overwhelmed or reluctant to reach out to their landlords. As arrears grow, eviction can appear to be the only solution. Early mediation can help prevent this by encouraging open communication between tenants and landlords, allowing for the development of payment plans or other solutions that may allow tenants to stay in their homes or, when necessary, to find alternative housing within a reasonable time frame.

Evictions also impose significant public costs. According to estimates, Hawai'i's annual evictions result in over \$30 million in public expenditures, driven by increased demand for emergency shelters, healthcare, and social services. By establishing a pre-litigation mediation program, we can help reduce these costs and contribute to the overall well-being of our communities.

For these reasons, the Mediation Center of the Pacific supports HB 1433, recognizing its potential to improve housing stability and reduce the adverse impacts of eviction on tenants, landlords, and the broader community.

Sincerely,
Roberta Hickey-Gomez
Special Programs Innovator
The Mediation Center of the Pacific

Terri O'Connell

2118 Halakau St., Honolulu, HI 96821
(808) 628-8943
terri@oconnell808.com

January 27, 2025

To: Chair Matayoshi, Vice Chair Chun, and Members of the Committee on Consumer Protection & Commerce

From: Terri O'Connell

Date/Location: January 29, 2025; 2:00PM/ Conference Room 329 & Videoconference

Re: TESTIMONY IN FAVOR OF HB1433 - Relating to Eviction Mediation

As an attorney in Hawaii, I have performed pro bono work and have spoken with both tenants and landlords in the past regarding evictions. I found that evictions are difficult for everyone involved. Neither side "wins" when a landlord must go through the eviction process and then find a new tenant. And the tenant, when forced to move, may experience a loss of a security deposit, belongings, a longer commute to work, and an inability to find housing such that the tenant may become homeless. These create significant societal costs.

As a Board Member of The Mediation Center of the Pacific, I was so pleased to learn that in 2021, Hawai'i established a statewide early landlord-tenant mediation program to prevent evictions (through Act 57). In a one-year period, through that program, 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. More recently, over the past two years, The Mediation Center of the Pacific mediated 96 early eviction cases. Final agreements were reached in 86 cases (90% of cases!) between landlord and tenant when no rental assistance was available. These are incredible and demonstrable success rates and a win for both landlords and tenants.

Please PASS HB1433, to help prevent evictions and keep residents housed.

Sincerely,



Terri O'Connell, Esq.
Board Member, The Mediation Center of the Pacific, Inc.

HB-1433

Submitted on: 1/27/2025 9:24:48 PM

Testimony for CPC on 1/29/2025 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| David F Simons | Individual | Support | Written Testimony Only |

Comments:

Committee on Consumer Protection & Commerce

Hearing Date: Wednesday, January 29, 2025

Submitted by David F. Simons, Esq.

HB 1433 - Relating to Eviction Mediation

Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

I am submitting testimony in **STRONG SUPPORT**

of HB 1433, which establishes and funds a pre-litigation mediation pilot program.

I practiced law for 43 years, all as a litigator. I saw the value of mediation firsthand. It is much more efficient than litigation, and produces a result that both side agree to, rather than one imposed on them by a judge or jury.

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 1433 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 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. 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 1433 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.

While pairing early mediation with rental assistance is valuable as demonstrated by the Act 57 program, even when early mediation is not paired with rental assistance, mediating prior to filing an eviction process, increases the likelihood of tenant and landlord reaching an agreement. Over the past two years, The Mediation Center of the Pacific mediated 96 early eviction cases, 86 or 90% of which resulted in final agreements between landlord and tenant when no rental assistance was available.

With Hawai'i's high cost of living, the number of evictions remains high. Tenants fall behind and are too overwhelmed or ashamed to approach their landlord about the situation. When the amount of past due rent grows, landlords rely on the eviction process to remove the tenant and start over. A pre-litigation mediation program is needed to encourage tenants and landlords to talk early, before the tenant is so far behind, a

payment plan isn't feasible. Through mediation, tenants and landlords can agree on payment plans that keep tenants in their residences or alternately, reach agreements that provide tenants with sufficient time to find an alternate location they can afford.

Evictions 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 and help create housing stability for all.

Please PASS HB 1433, to help prevent evictions and keep our courts free to carry out their many other responsibilities.

Sincerely, David Simons

HB-1433

Submitted on: 1/28/2025 7:17:51 AM

Testimony for CPC on 1/29/2025 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Robert A Marks | Individual | Support | Written Testimony Only |

Comments:

Chair and members - I strongly support this measure. Please pass it out of committee. Thank you.

Robert Marks

HB-1433

Submitted on: 1/28/2025 9:19:30 AM

Testimony for CPC on 1/29/2025 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Giuseppe Leone | Individual | Support | Written Testimony Only |

Comments:

Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

As a volunteer mediator with the Mediation Center of the Pacific since 1997, I have mediated hundreds of court-mandated residential landlord-tenant cases and observed the following.

Most landlords and tenants have a natural sense of fairness and, living in Hawaii, fully understand the connection between evictions and homelessness.

In my experience, many landlord/tenant disputes can be resolved quickly - often in under 90 minutes - when a neutral mediator helps both parties communicate calmly, clearly, and respectfully.

In mediation, timing is critical. The sooner landlords and tenants meet with a neutral mediator, the easier can they reach a mutually acceptable agreement that resolves their dispute and leaves both parties feeling positive and good about themselves.

For these reasons, I strongly support HB 1433, which establishes and funds a pre-litigation mediation pilot program.

HB-1433

Submitted on: 1/28/2025 11:36:19 AM

Testimony for CPC on 1/29/2025 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-------------------------------|---------------------|---------------------------|------------------------|
| Vivien Lee and Charlie Reppun | Individual | Support | Written Testimony Only |

Comments:

As a voluntary mediator for The Mediaton Center of the Pacific I understand the critical importance of talking out an issue, any issue, before taking action. With Hawaii's high cost of living this even more important in landlord/tenant issues. Tracy Wiltgen, the executive director of MCP, spells this all out in her testimony. Please pass HB1433.

Charlie Reppun

LATE

HB-1433

Submitted on: 1/28/2025 2:10:18 PM

Testimony for CPC on 1/29/2025 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Mimi Beams | Individual | Support | Written Testimony Only |

Comments:

Committee on Consumer Protection & Commerce

Hearing Date: Wednesday, January 29, 2025

Submitted by The Mediation Center of the Pacific, Inc.

HB 1433 - Relating to Eviction Mediation

Dear Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

Mimi Beams, Volunteer Mediator with the Mediation Center of the Pacific is submitting testimony in **STRONG SUPPORT**

of HB 1433, which establishes and funds a pre-litigation mediation pilot program.

As a trained volunteer mediator with the Mediation Center of the Pacific, I have personally participated in many landlord/tenant mediations and have found it rewarding and valuable for both the tenant and the landlord. Results frequently serve both.

Please pass HB1433.



GORDON M. ARAKAKI

Attorney at Law, LLLC

94-1176 Polinahe Place

Waipahu, Hawaii 96797

Cell: (808) 542-1542

E-mail: gordonarakaki@hawaiiantel.net

LATE

January 29, 2025

Hearing Date: Wednesday, January 29, 2025

Time: 2:00 PM

Place: Conference Room 329

The Honorable Scot Z. Matayoshi, Chair

The Honorable Corey M. Chun, Vice Chair

House Committee on Consumer Protection and Commerce

Re: Testimony in Strong Support of HB 1433 – Relating to Eviction Mediation
(Written Testimony Only)

Aloha Chair Matayoshi, Vice Chair Chun, and Members of the Committee on Consumer Protection and Commerce:

I am Gordon M. Arakaki, testifying as an individual¹ in **strong support** of HB 1433, which would establish and fund a pre-litigation mediation pilot program.

Helping landlords and tenants resolve their disputes and increasing housing stability benefits everyone. The pre-litigation mediation pilot program proposed by HB 1433 will increase housing stability by encouraging tenants and landlords to work out agreements early, enabling tenants to remain housed and providing landlords with their rental income.

As noted in HB 1433 [at page 1, lines 7-16, describing the results of Act 57 (SLH 2021) (“Act 57”)] as well as The Mediation Center of the Pacific, pre-litigation mediation programs for landlords and tenants have a proven track record of success in Hawaii. The amendments to Hawaii’s Landlord-Tenant Code made by Act 57 have expired, so HB 1433 seeks to recodify and implement the most effective provisions of Act 57. These provisions include:

- (1) Extending the notice of termination of rental agreement period from five to ten days;
- (2) Requiring all housing providers and tenants to participate in early mediation and prohibiting eviction actions if the tenant schedules or attempts to schedule a mediation;
- (3) Making each party responsible for its own attorney’s fees and costs for pre-litigation mediation while allowing landlords to recover such fees and costs if a tenant defaults on a mediated agreement; and

¹ As of August 2024, I am also a board member of The Mediation Center of the Pacific. However, I submit this testimony as an individual.

Testimony in Strong Support of HB 1433 – Relating to Eviction Mediation

House Committee on Consumer Protection and Commerce

Hearing Date: Wednesday, January 29, 2025

Page 2

- (4) Requiring landlords to provide detailed specific information to tenants (including, among many other things, contact information, the amount of rent due, and a statutorily prescribed warning) in the ten-day notice of termination period, as well as providing such information to a mediation center that offers free mediation for residential landlord-tenant disputes.

HB 1433 also provides funding for the pre-litigation mediation pilot program.

Thank you for your time and consideration of my testimony in *strong support* of HB 1433. I respectfully urge you to pass this bill.

Sincerely,

Gordon M. Arakaki