



The Judiciary, State of Hawai'i

Testimony to the Thirty-Third Legislature, 2025 Regular Session

House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair

Monday, March 31, 2025, at 3:15 p.m.
State Capitol, House Conference Room 308 & Videoconference

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

Bill No. and Title: Senate Bill No. 825, S.D. 2, H.D. 2, Relating to Eviction Mediation.

Purpose: Beginning 2/5/2026, extends the period for a notice of termination of a rental agreement from five business days to ten calendar days; requires landlords, or their agents, and tenants to engage in mediation and requires landlords and their agents to delay filing an action for summary possession if a tenant schedules mediation; requires landlords or their agents to provide specific information in the ten-calendar-day notice to tenants; and requires mediation to take place within thirty days from the date that a mediation center makes contact with both the landlord, or the landlord's agent, and tenant. Requires the Judiciary to submit a report to the Legislature. Appropriates funds. Sunsets 2/4/2028, but preserves the extension of the period for a notice of termination of a rental agreement from five business days to ten calendar days. Effective 7/1/3000. (HD2)

Judiciary's Position:

The Judiciary SUPPORTS this measure for the following reasons:

- Section I: pre-eviction mediation works based on Hawai'i data during COVID;
- Section II: national data also shows pre-eviction mediation works;
- Section III: pre-eviction mediation works in Hawai'i, even without rent relief;
- Section IV: mediation helps tenants by mitigating the social and economic costs of eviction, and helps landlords by creating more and earlier options;
- Section V: the appropriation amount suggested by Mediation Center of the Pacific is reasonable, but the number of evictions may increase due to rising rents;
- Section VI: Judiciary has no objection to either option on when mediation should occur.



- I. 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).
- II. 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.
- III. Judiciary highlights that although this bill does not provide rent relief for landlords, our experience shows that early mediation helps even without rent relief. The COVID-era pre-eviction mediation program under Act 57 included rent relief for landlords. When it ended, the Mediation Center of the Pacific (“MCP”) continued its mediation efforts without rent relief. MCP reports that of 119 cases mediated, 80 mediations reached agreement. The 67-percent rate of settlement indicates the success of pre-eviction mediation alone when both sides are willing to mediate.

Further, in October 2022, Hawai‘i Appleseed released a report analyzing Act 57’s effects, finding: **Rent relief is not the only important factor.**¹ Despite its availability during COVID-era summary possession cases, it didn’t translate to a high settlement rate or a high rate of tenants being able to reach settlements. Other factors, such as whether mediation happened before or during litigation, also impacts the outcome; and **there are demonstrated benefits of early mediation.**² Offering mediation before eviction filings helps resolve disputes more effectively, as parties are less entrenched before litigation

¹ RAY KONG, ET. AL., HAWAI‘I APPLESEED CENTER FOR LAW AND ECONOMIC JUSTICE, EVICTION PREVENTION THROUGH HAWAI‘I’S TENANT-LANDLORD MEDIATION PROGRAM 13, 21 (2022), available at https://static1.squarespace.com/static/601374ae84e51e430a1829d8/t/6345d5fcf7ea1378c43084db/1665521161324/Eviction+Prevention+Report_FINAL+2.pdf.

² *Id.* at 20.



begins. It also reduces courtroom pressure, allowing tenants to raise defenses they might avoid, and helps prevent long-term damage to their rental history, giving them more time to secure rental assistance.³

IV. Mediation helps mitigate the social and economic costs of eviction. The Hawai'i Appleseed report (footnote 1) shows that evictions can mean a tenant loses their security deposit and personal belongings, requires a change of schools for children, extends commute times for work, creates a negative mark on the tenant's rental history that complicates finding future housing, and can even lead to homelessness.⁴ The Hawai'i Budget & Policy Center estimates that 2,500 evictions occur annually in Hawai'i. The total cost to the state may exceed \$30 million, assuming up to a quarter of evicted tenants require homeless services.⁵ And mediation does not only help tenants. As this bill calls for, early mediation between tenants and landlords gives all parties more options before further time and costs are incurred.

V. Regarding an appropriation amount, Judiciary supports the Mediation Center of the Pacific's request for \$1.25 million, which is based on:

2,500 eviction cases x (\$250 mediator fee + \$250 administrative fee) = \$1,250,000

However, the Judiciary notes that with rising rents, an estimated 53,043 people in Hawai'i now spend more than half of their income on housing.⁶ Spending more than 50 percent of their limited income on rent likely leaves these families with little or no financial cushion. Logically, thousands of households are becoming more vulnerable to eviction in the event of even temporary job loss or other sudden hardships.

VI. Regarding when mediation takes place, the Judiciary recognizes the practical merits of both options: mediation taking place within 30 days after the date of the initial notice the landlord submits to the mediation center, or mediation taking place within 30 days from the time that a mediation center has made contact with both the landlord and tenant. Judiciary has no objection to either option.

Thank you for the opportunity to submit testimony on this measure.

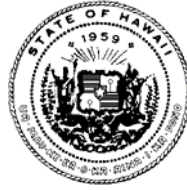
³ *Id.* at 20.

⁴ *Id.* at 4.

⁵ WILL WHITE, ET AL., HAWAII BUDGET AND POLICY CENTER, KEEPING HAWAII HOUSED, (2023), available at https://static1.squarespace.com/static/5ef66d594879125d04f91774/t/63ffb9c590f4690495401e91/1677703628693/Keeping+Hawaii+Housed_FINAL.pdf

⁶ NATIONAL LOW INCOME HOUSING COALITION, 2025 HAWAII HOUSING PROFILE, (2025), available at https://nlihc.org/sites/default/files/SHP_HI.pdf

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Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

March 29, 2025

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

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 825 SD2 HD2– RELATING TO EVICTION MEDIATION.**

Hearing: March 31, 2025, at 3:15 p.m.
Conference Room 308 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and defers to the Judiciary on resources and implementation. With Act 57, Session Laws of Hawaii 2021, the Judiciary and mediation centers successfully assisted tenants and landlords in avoiding litigation during the COVID-19 pandemic. Having an eviction on one's record can also make securing another rental more challenging, thereby perpetuating housing instability. Preventing evictions is a positive investment for families and children as housing stability supports health and well-being, educational attainment, maintaining employment, and community cohesiveness and resilience.

PURPOSE: Beginning 2/5/2026, this measure extends the period for a notice of termination of a rental agreement from five business days to ten calendar days; requires landlords, or their agents, and tenants to engage in mediation and requires landlords and their agents to delay filing an action for summary possession if a tenant schedules mediation; requires landlords or their agents to provide specific information in the ten-calendar-day notice to tenants; and requires mediation to take place within thirty days from the date that a

mediation center makes contact with both the landlord, or the landlord's agent, and tenant.

Requires the Judiciary to submit a report to the Legislature. Appropriates funds. Sunsets 2/4/2028, but preserves the extension of the period for a notice of termination of a rental agreement from five business days to ten calendar days. Effective 7/1/3000. (HD2)

The Committee on Commerce and Consumer Protection amended the measure by:

- (1) Inserting language to require that mediation take place within thirty days from the date that a mediation center makes contact with the landlord and tenant;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The Committees on Ways and Means and Judiciary also amended this measure by:

- (1) Extending the length of the pilot program from one year to two years;
- (2) Requiring the Judiciary to report its findings and recommendations, including recommendations on whether the pilot program should be made permanent, to the Legislature no later than ninety days after the termination of the pilot program; and
- (3) Making permanent the ten-day notice period required for a landlord to terminate a rental agreement for a tenant's failure to pay.

The Committee on Consumer Affairs and Commerce further amended the measure by:

- (1) Clarifying that a landlord's agent may fully act on behalf of the landlord;
- (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 Judiciary and Hawaiian Affairs further amended the measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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



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Ku'ikahi Mediation
Center is a 501(c)(3)
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welcome your support!

Testimony to the House Committee on Finance
Monday, March 31, 2025, 3:15 p.m.
Conference Room 308 & Videoconference

RE: Support of SB 825, SD2, HD1 Relating to Eviction Mediation

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committees:

As a local non-profit organization, **Ku'ikahi Mediation is submitting testimony to strongly support SB 825, SD2, HD1 establishes and funds a pre-litigation mediation pilot program.** This bill promotes housing stability, prevents homelessness, and provides valuable resources to help both landlords and tenants avoid the high costs of eviction and maintain stable tenancies.

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.

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 lead 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; 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



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Shelby Morrison

Mediation Program during the period of August 7, 2021 to August 6, 2022. The legislature's passage of Act 57 was 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 is crucial step to reduce the social and financial harm caused by evictions, especially critical as our state (and nation) are facing an affordable housing crisis.

We strongly urge you to pass this legislation. Thank you for reading this testimony.

Mahalo,

Julie Mitchell
Executive Director

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Center is a 501(c)(3)
nonprofit organization,
donations to which are
tax-deductible. We
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Committee on Consumer Protection & Commerce

Hearing Date: Monday, March 31, 2025

Submitted by:

Roberta Hickey-Gómez,

Special Programs Innovator, The Mediation Center of the Pacific

SB825 SD2 HD2 - Relating to Eviction Mediation

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

The Mediation Center of the Pacific is submitting testimony in strong support of **SB825 SD2 HD2**, which establishes and funds a pre-litigation mediation pilot program.

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, kūpuna, 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 kūpuna 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.

We have even seen an increase in cases where, although formal mediation does not take place, the very engagement in mediation opens the doorways to communication between landlords and tenants, leading to informal resolutions and settlements that benefit both parties. This demonstrates that even the act of initiating mediation encourages positive dialogue and promotes greater housing stability.

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 **SB825 SD2 HD2**, recognizing its potential to improve housing stability and reduce the adverse impacts of eviction on tenants, landlords, and the broader community.

Me ka mahalo nui,

Roberta Hickey-Gómez
Special Programs Innovator
The Mediation Center of the Pacific

Committee on Judiciary & Hawaiian Affairs
Hearing Date: Monday March 31, 2025

Submitted by The Mediation Center of the Pacific, Inc.
SB 825 SD2 HD2 - Relating to Eviction Mediation

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

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT of SB 825 SD2 HD2, which establishes and funds a pre-litigation eviction 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 eviction mediation program supported by SB 825 SD2 HD2 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, SB 825 SD2 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.

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. Most tenants don't show up to court, therefore, the landlord has wasted their time, as well as the courts time, and they still don't get paid.

A pre-litigation eviction mediation program is needed to encourage tenants and landlords to talk early, before the tenant is so far behind a realistic 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 while providing the landlord with their past due rent.

Early eviction mediation provides an easy, cost-effective solution to a long-time problem. Please PASS SB 825 SD2 HD2, 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 stylized flourish at the end.

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



March 31, 2025

The Honorable Kyle T. Yamashita, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: Senate Bill 825, SD2, HD2, Relating to Eviction Mediation

HEARING: Monday, March 31, 2025, at 3:15 p.m.

Aloha Chair Yamashita, Vice Chair Takenouchi, 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 10,000 members. HAR provides **comments** on Senate Bill 825, SD2, HD2, which beginning 2/5/2026, extends the period for a notice of termination of a rental agreement from five business days to ten calendar days; requires landlords, or their agents, and tenants to engage in mediation and requires landlords and their agents to delay filing an action for summary possession if a tenant schedules mediation; requires landlords or their agents to provide specific information in the ten-calendar-day notice to tenants; and requires mediation to take place within thirty days from the date that a mediation center makes contact with both the landlord, or the landlord's agent, and tenant. Requires the Judiciary to submit a report to the Legislature. Appropriates funds. Sunsets 2/4/2028, but preserves the extension of the period for a notice of termination of a rental agreement from five business days to ten calendar days. 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, especially considering this program is only for cases involving nonpayment of rent.

We are also concerned that the proposed measure extends the notice period for unpaid rent from 5 business days to 10 calendar days. As such, HAR has concerns that this could lead to added delays. HAR believes that mediation can happen concurrently with initiating an action for summary possession. Ideally, tenants should reach out to their housing provider or mediation service providers prior to missing their rental payments to initiate mediation.



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We believe this topic and other related concerns are better served in discussion with multiple stakeholders while reviewing and updating the entire Residential Landlord-Tenant Code. Multiple measures are exploring setting up a working group to do this including SB 822, HCR 158, and SCR 123. A comprehensive discussion to explore ways to reduce backlogs in the courts and offer expedient resolution and assistance for tenants and landlords is needed.

Mahalo for the opportunity to provide testimony on this measure.



SB-825-HD-2

Submitted on: 3/30/2025 4:28:48 PM

Testimony for FIN on 3/31/2025 3:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Laurie Arial Tochiki	Mediation Centers of Hawaii	Support	Written Testimony Only

Comments:

I am writing to express my STRONG SUPPORT OF SB825.

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 SB825 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.

SB825 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



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

Support for SB825 – Relating to Eviction Mediation

House Committee on Finance

Monday March 31, 2025 at 3:15PM Conf. Rm. 308 and via Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the committee,

Mahalo for the opportunity to express our **STRONG SUPPORT for SB825 HD2**, which will establish and fund a pre-litigation mediation pilot program that has the potential to help prevent thousands of evictions. We also encourage amendments to provide rent relief attached to pre-litigation mediation.

At the beginning of the COVID-19 pandemic in early 2020, Hawai'i passed Act 57 which 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. SB825 will advance the lessons learned from these programs, which were so effective during the pandemic.

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 houselessness. 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.

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 landlord-tenant mediation programs and rental assistance, the public saves six dollars on homeless services.**¹

Establishing a landlord-tenant pre-litigation mediation program is a necessary step to mitigate these social and financial harms caused by evictions. Compared to mediation services provided after a landlord has already filed for eviction, tenant-landlord

¹ <https://hiappleseed.org/publications/eviction-prevention-mediation-hawaii>



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

Support for SB825 – Relating to Eviction Mediation

House Committee on Finance

Monday March 31, 2025 at 3:15PM Conf. Rm. 308 and via Videoconference

mediation held before a landlord files for eviction are far more successful at reaching settlement and enabling tenants to retain their housing. According to our study, 87 percent of pre-litigation mediation cases under Act 57 resulted in settlement compared to 47 percent of mediation cases prior to Act 57. More significantly, 85 percent of Act 57 cases resulted in the tenant remaining in their home, which only occurred 11 percent of the time in the pre-COVID summary possession settlements.²

However, it is necessary to highlight that **rent assistance remains a critical component to ensuring housing stability and preventing evictions**. The success of the pre-litigation mediation program under Act 57 was largely related to the paired rental assistance program offered. Without providing rent relief, this program will not reach the prior effectiveness of Act 57 in regards to both tenant stability and the associated public savings.

Hawai'i Appleseed recommends including language that establishes a rent relief program attached to pre-litigation landlord tenant mediation. Adding a rent relief component 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 rental assistance is not provided.

Please **PASS SB825**, and consider the suggestion above, to help prevent evictions and keep our island residents housed. Mahalo for the opportunity to testify.

² Ibid.



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March 29, 2025

Hearing Date: Monday, March 31, 2025

Time: 3:15 PM

Place: Conference Room 308

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
House Committee on Judiciary & Hawaiian Affairs

Re: Testimony in Strong Support of SB 825, SD2, HD2 – Relating to Eviction Mediation (Written Testimony Only)

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee on Finance:

I am Gordon M. Arakaki, testifying as an individual¹ in ***strong support*** of SB 825, SD2, HD2, 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 SB 825, SD2, HD2 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 SB 825, SD2, HD2 [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 SB 825, SD2, HD2 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.

- (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.

SB 825, SD2, HD2 also provides funding for the pre-litigation mediation pilot program.

Thank you for your time and consideration of my testimony in ***strong support*** of SB 825, SD2, HD2. I respectfully urge you to pass this bill.

Sincerely,

Gordon M. Arakaki

Terri O'Connell

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March 30, 2025

To: Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee on Judiciary and Hawaiian Affairs

From: Terri O'Connell

Date/Location: March 31, 2025; 3:15pm / Via Videoconference Conference Room 308

Re: TESTIMONY IN FAVOR OF SB 825 SD2 HD2 - 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 SB 825 SD2 HD2 to help prevent evictions and keep residents housed.

Sincerely,



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