JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA



#### 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

March 11, 2025

RYAN I. YAMANE DIRECTOR KA LUNA HOʻOKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

TO: The Honorable Representative Scot Z. Matayoshi, Chair

House Committee on Consumer Protection & Commerce

FROM: Ryan I. Yamane, Director

SUBJECT: SB 825 SD2 – RELATING TO EVICTION MEDIATION.

Hearing: March 12, 2025, 2:00 p.m.

Conference Room 329 & 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, extends the period for a notice of termination of a rental agreement from 5 business days to 10 calendar days. Requires landlords to engage in mediation and delay filing an action for summary possession if a tenant schedules or attempts to schedule mediation. Requires landlords to provide specific information in the 10-calendarday notice to tenants. Requires mediation to take place within 30 days from the date that a mediation center makes contact with both the landlord and tenant. Appropriates funds.

Requires a report to the Legislature. Repeals 2/4/2028, except amendments made to section 521-68(a), Hawai'i Revised Statutes. Effective 7/1/2050. (SD2)

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.

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



# The Judiciary, State of Hawai'i

## Testimony to the Thirty-Third Legislature, 2025 Regular Session

### **House Committee on Consumer Protection and Commerce**

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

Wednesday, March 12, 2025 at 2:00 p.m. State Capitol, House Conference Room 329 & Videoconference

By

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

Bill No. and Title: Senate Bill No. 825, SD2, Relating to Eviction Mediation.

**Purpose:** Beginning 2/5/2026, extends the period for a notice of termination of a rental agreement from 5 business days to 10 calendar days. Requires landlords to engage in mediation and delay filing an action for summary possession if a tenant schedules or attempts to schedule mediation. Requires landlords to provide specific information in the 10-calendar-day notice to tenants. Requires mediation to take place within 30 days from the date that a mediation center makes contact with both the landlord and tenant. Appropriates funds. Requires a report to the Legislature. Repeals 2/4/2028, except amendments made to section 521-68(a), Hawai'i Revised Statutes. Effective 7/1/2050. (SD2)

# 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



Senate Bill No. 825, SD2, Relating to Eviction Mediation House Committee on Consumer Protection and Commerce Tuesday, February 4, 2025 Page 2

effectiveness of combining pre-filing mediation with rent relief to prevent evictions. Please refer to the Judiciary's testimony of HB1439 (2023).

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.

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% rate of settlement indicates the success of pre-eviction mediation alone when both sides are willing to mediate. Further, in October 2022, Hawaii 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 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

With respect to when mediation shall take 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

<sup>&</sup>lt;sup>1</sup> 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

 $https://static1.squarespace.com/static/601374ae84e51e430a1829d8/t/6345d5fcf7ea1378c43084db/1665521161324/E\ viction+Prevention+Report\_FINAL+2.pdf.$ 

<sup>&</sup>lt;sup>2</sup> *Id.* at 21.

<sup>&</sup>lt;sup>3</sup> *Id*. at 20.



Senate Bill No. 825, SD2, Relating to Eviction Mediation House Committee on Consumer Protection and Commerce Tuesday, February 4, 2025 Page 3

that a mediation center has made contact with both the landlord and tenant. Judiciary has no objection to either suggestion.

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 submit written testimony on this measure.



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a partner agency of the



Ku'ikahi Mediation Center is a 501(c)(3) nonprofit organization, donations to which are tax-deductible. We welcome your support! Testimony to the House Committee on Consumer Protection & Commerce Wednesday, March 12, 2025, 2:00 p.m.
Conference Room 329 & Videoconference

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

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

As a local non-profit organization, **Ku'ikahi Mediation is submitting testimony to strongly support SB 825, SD2 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 led to homelessness. The cost of eviction on individuals and households includes, but is not limited to: interrupted employment and schooling leading to a loss of wages; negative health impacts, such as anxiety and depression; 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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PROGRAMS & COMMUNICATIONS COORDINATOR 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

a partner agency of the



Ku'ikahi Mediation Center is a 501(c)(3) nonprofit organization, donations to which are tax-deductible. We welcome your support!

#### SB-825-SD-2

Submitted on: 3/11/2025 8:46:46 AM

Testimony for CPC on 3/12/2025 2:00:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	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

Committee on Consumer Protection & Commerce Hearing Date: Wednesday March 12, 2025

**Submitted by The Mediation Center of the Pacific, Inc. SB 825 SD2 - 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 SB 825 SD2, 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 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 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, to help prevent evictions and keep our island residents housed.

Sincerely,

Tracey S. Wiltgen Executive Director

The Mediation Center of the Pacific, Inc.



# **Collection Law Section**

Chair: Reply to: KARYN A. DOI, CHAIR

222 Merchant Street Karyn A. Doi

Honolulu, Hawaii 96813 Vice Chair: Telephone: (808) 538-1921 William J. Plum

Fax: (808) 523-9585

E-Mail: karyn@leu-okuda.com

**Secretary:** 

Charles Prather March 11, 2025

Treasurer:

Re: SB 825 Re Eviction Mediation Justin Scott Moyer

Dear Chair Matayoshi, Vice Chair Chun, and Committee **Directors:** 

Members:

David W. H. Chee

Marvin S.C. Dang Karyn A. Doi

Christopher Shea Goodwin

Steven Guttman

Allison Mizuo Lee

Justin Scott Moyer

Robert Park

William J. Plum Charles Prather

Reginald K.T. Yee

This testimony is submitted on behalf of the Collection Law

Section ("CLS") of the Hawaii State Bar Association.\*

My name is David Chee, one of the Directors of CLS. CLS

opposes SB825.

I am an attorney and have practiced landlord-tenant law for the last 30 years. I generally support the intent of this bill, being the early resolution of evictions due to unpaid rent. Unfortunately,

this bill will not achieve that goal, and I am writing in

opposition.

I am one of the people who assisted in drafting Act 57, on which this bill is based. The primary reason Act 57 was successful in saving tenancies was that robust financial support for tenants was made available. Since nonpayment evictions are, by definition, all about the lack of money, saving tenancies when substantial rent assistance was available was relatively straightforward. Act 57 worked because rental assistance money was made available to tenants.

Without consistent and robust rental assistance, SB825 will not make it more likely that a tenant in a financial crisis will be able to stay in their home because it does not solve the tenant's financial crisis. Unless financial aid is provided, a tenant who cannot pay their rent before mediation is unlikely to be able to pay their rent after mediation.

Mediation cannot solve this fundamental problem. As a result, SB825 will simply make it more difficult and time-consuming for housing providers to rightly recover their properties when their customers do not pay. Because it does not come with any significant money to solve the customers' nonpayment problems, SB825 merely adds another time-consuming hoop through which the housing provider must jump to regain their property. This will increase the cost of providing housing, which will ultimately be passed on to other tenants.

Unless the State of Hawaii provides significant money to assist tenants who have not paid their rent, SB825 will do nothing to save tenancies and will increase housing costs throughout the State. You should, therefore, oppose this bill.

Thank you for considering my testimony.

Please let me know if you have any questions.

Very truly yours,

/s/ David W. H. Chee

Director
The Collection Law Section

\* The comments and recommendations submitted reflect the viewpoint of the Collection Law Section of the Hawaii State Bar Association only. This viewpoint has not been reviewed or approved by the HSBA Board of Directors.

### **Committee on Consumer Protection & Commerce**

Hearing Date: Wednesday, March 12, 2025

Submitted by: Roberta Hickey-Gómez

Special Programs Innovator, The Mediation Center of the Pacific

## SB 825 - Relating to Eviction Mediation

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

The Mediation Center of the Pacific is pleased to submit testimony in strong support of SB 825, which would establish and fund a pre-litigation mediation pilot program. We are deeply appreciative of the committee's ongoing dedication to advancing this important legislation and thank you for your hard work in addressing the critical issue of housing stability in Hawai'i.

We previously submitted testimony in support of similar efforts, and I would like to take this opportunity to highlight the continued success and expanding impact of our Early Eviction Mediation Program. Over the past two years, we've made substantial progress, not only in resolving disputes through formal mediation but also in fostering an atmosphere that encourages informal resolutions between landlords and tenants. Even in cases where formal mediation doesn't occur, the engagement in mediation has led to a significant increase in settlements outside the formal mediation setting. This success underscores the value of this intervention in preventing unnecessary evictions and providing a platform for collaboration.

Our program's success rate continues to be remarkable, with 90% of the 96 early eviction cases mediated resulting in mutually beneficial agreements. The impact is clear: tenants achieve greater housing stability, and landlords avoid the costs and disruptions of formal eviction procedures. Importantly, this process has proven to be particularly effective in helping to address the rising issue of housing insecurity across the state—an issue exacerbated by Hawai'i's high cost of living.

Early intervention through mediation not only addresses the immediate needs of tenants and landlords but also supports the broader goal of fostering community well-being. Eviction costs for landlords can be significant, ranging from \$500 to \$10,000, depending on the situation, as they must cover legal fees, court costs, and lost rental income during the

eviction process.<sup>1</sup> For tenants, the impacts of eviction can be devastating, including a reduced ability to rent future units and the loss of access to critical housing assistance programs, such as Section 8.<sup>2</sup> These hardships highlight the importance of addressing eviction issues before they escalate, and SB 825 provides an important step toward mitigating these effects through early intervention.

We urge you to take the next step in advancing this vital legislation and to ensure mediation opportunities reach a maximum population of the housing-insecure community for the betterment of all of Hawai'i's communities.

Thank you for your time and consideration of this important bill. We sincerely appreciate your continued leadership in addressing these pressing issues and for helping to improve housing stability across Hawai'i.

Me ka mahalo nui,

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

<sup>&</sup>lt;sup>1</sup> https://innago.com/hawaii-eviction-process/

<sup>&</sup>lt;sup>2</sup> https://secondchancerentals.org/evictions/section-8/

808-737-4977





March 12, 2025

## The Honorable Scot Z. Matayoshi, Chair

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



RE: Senate Bill 825, SD2, Relating to Eviction Mediation HEARING: Wednesday, March 12, 2025, at 2:00 p.m.

Aloha Chair Matayoshi, Vice Chair Chun, 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, which beginning 2/5/2026, extends the period for a notice of termination of a rental agreement from 5 business days to 10 calendar days. Requires landlords to engage in mediation and delay filing an action for summary possession if a tenant schedules or attempts to schedule mediation. Requires landlords to provide specific information in the 10-calendar-day notice to tenants. Requires mediation to take place within 30 days from the date that a mediation center makes contact with both the landlord and tenant. Appropriates funds. Requires a report to the Legislature. Repeals 2/4/2028, except amendments made to section 521-68(a), Hawaii Revised Statutes. Effective 7/1/2050.

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. 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.

Mahalo for the opportunity to provide testimony 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: Representative Scot Z. Matayoshi, Chair

Representative Cory M. Chun, Vice Chair

House Committee on Consumer Protection & Commerce



From: Chevelle Davis, MPH - Director of Early Childhood & Health Policy

Hawai'i Children's Action Network Speaks!

Subject: Measure S.B. No. 825 S.D. 2 – Relating to Eviction Mediation

Hearing: Wednesday, March 12, 2025, at 2:00 PM, Conference Room 329

POSITION: STRONG SUPPORT

Aloha e Chair Matayoshi, Vice Chair Chun, and Members of the committees:

Hawai'i Children's Action Network (HCAN) **STRONGLY SUPPORTS S.B. No. 825 S.D. 2**, which extends the notice period for termination of a rental agreement, requires mediation before eviction proceedings, and appropriates funds to support these measures.

Stable housing is critical for the well-being of Hawai'i's keiki and families. By extending the notice period from 5 business days to 10 calendar days, this bill provides tenants with a more reasonable timeframe to address rental issues, seek assistance, and engage in productive dialogue with landlords. This adjustment ensures that families, particularly those with children, are not forced into sudden housing instability or homelessness due to an unreasonably short notice period.

Furthermore, requiring landlords to mediate before proceeding with eviction is a crucial step toward preventing unnecessary displacement. Mediation offers a fair and balanced process that allows tenants and landlords to find mutually beneficial solutions. This measure prioritizes communication and problem-solving over immediate eviction by delaying filing a summary possession action when mediation is scheduled or attempted. Given the high cost of living in Hawai'i, many families face financial hardships that may be resolved with time and support, making mediation a key tool in preventing homelessness.

Additionally, requiring landlords to include specific information in the 10-day notice ensures that tenants are fully informed of their rights and available resources. Access to clear and comprehensive information can significantly affect a tenant's ability to respond effectively and seek assistance.

Finally, appropriating funds to support mediation services is essential for ensuring the success of this initiative. Mediation centers require adequate resources to handle increased caseloads efficiently, and funding will help ensure the timely resolution of disputes while reducing the burden on the court system.

Housing insecurity is among Hawai'i's most significant threats to child and family well-being. S.B. No. 825 S.D. 2 is necessary to create a fairer and more compassionate approach to landlord-tenant relationships, preventing evictions that can lead to long-term hardship for Hawai'i's keiki and their families.

HCAN urges the committee to pass S.B. No. 825 S.D. 2 for these reasons.

Mahalo for the opportunity to provide testimony in **STRONG SUPPORT** on this critical measure.

### **SB-825-SD-2**

Submitted on: 3/12/2025 9:55:10 AM Testimony for CPC on 3/12/2025 2:00:00 PM



Submitted By	Organization	<b>Testifier Position</b>	Testify
MaBel Fujiuchi	Kauai Economic Opportunity, Incorporated	Support	Written Testimony Only

#### Comments:

Good Morning Chairperson(s) and Members of the Committee:

I am testifying on behalf of Kauai Economic Opportunity, Incorporated, KEO, in support of SB825 SD2 on Eviction Mediation.

Kauai Economic Opportunity, Incorporated, (KEO) is celebrating its 60th year of service to those in need on the Island of Kauai in many different programs including Mediation Services among Housing and Homeless Programs including Emergency and Transitional Shelters, Nutrition and Home Delivered Meals Programs, Energy and Weatherization Programs, Food Services preparation and provision of meals, Persons In Need Programs, Food Pantry, as well as other services and programs.. In 2024, KEO served, 4331 individuals within 1949 Households.

One of KEO's most notable programs is its Mediation Program. The Mediation Program at KEO was initiated by KEO ivis Federal Funding in the late 1980s and has been most successful til ttoday--a 39 year provision of services. The program has since its inception obtained funding through Federal, State, County and Private sources. Mediation by KEO has served all age groups, all ehnicities, in all walks of life, resolving multile forms of disputes and disagreements. It has cured disputes, preventing further escalation, damage and the ultimate results of conflict.

The proposed bill addresses the need for Mediation in the Tenant eviction process. It proposes a most necessary process to ease the dispute between a landlord and a tenant ultimately prventing homelessness, which in itself, exacerbates the homeless situation with a multitude of challenges and negative results.

I ask for your support of SB 825 SD2.

Should you have any questions vis a vis this testimony or the issue of concern, please feel free to contact me and I will attempt to immediately nrespond to your query. However,i if I am unable to repond immediately, I will within a 48 hour period.

I thank you for considering my testimony on behalf of Kauai Economic Opportunity, Inc. (KEO), I wish you well and do......

Respectfully submit this testimony,

MaBel Ferreiro Fujiuchi

Chief Executive Officer

Kauai Economic Opportunity, Incorporated

2804 Wehe Rd, Lihue HI 96766

keo@keoinc.org



### GORDON M. ARAKAKI

Attorney at Law, LLLC 94-1176 Polinahe Place Waipahu, Hawaii 96797 Cell: (808) 542-1542

E-mail: gordonarakaki@hawaiantel.net

March 10, 2025

Hearing Date: Wednesday, March 12, 2025

Time: 2:00 PM

Place: Conference Room 329

The Honorable Scot Z. Matayoshi, Chair The Honorable Cory M. Chun, Vice Chair House Committee on Consumer Protection and Commerce

Re: <u>Testimony in Strong Support of SB 825, SD2 – Relating to Eviction Mediation</u> (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 individual<sup>1</sup> in *strong support* of SB 825, SD2, 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 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 [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 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;

<sup>&</sup>lt;sup>1</sup> 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.

### <u>Testimony in Strong Support of SB 825, SD2 – Relating to Eviction Mediation</u>

House Committee on Consumer Protection and Commerce

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- (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
- (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 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. I respectfully urge you to pass this bill.

Sincerely,

Gordon M. Arakaki



Committee on Consumer Protection and Commerce Hearing Date: Wednesday, March 12, 2025

Submitted by Kay Lorraine, J.D., LMDR

In support of SB 825 SD2 - Relating to Eviction Mediation

I am a volunteer mediator at the Mediation Center of the Pacific, where I/we mediate summary possession cases. I am writing in support of extending the notice of termination in tenant disputes, in order to support compulsory participation in mediation on the part of landlords before instituting summary possession.

When a renter has struggled to pay rent because of unforeseen financial challenges, mediation can assist in arranging a payment schedule, allowing the tenant to stay in the property or negotiating extended move-out timelines, enabling both parties to separate peacefully. This is beneficial for landlords wanting to uphold their reputation and for tenants seeking references for upcoming housing.

In these uncertain economic times, it is important to foster a viable alternative to tenants who may be struggling to maintain stability for their families. It also helps alleviate the broader social issue of enhancing housing instability in our state. Mediation helps both parties resolve disputes amicably.

The Mediation Center of the Pacific has a remarkably successful track record in working out plans to enable tenants to remain in their homes while establishing a mutually agreeable repayment plan with their landlords.

In addition to mediating, I am also a longtime, active volunteer in the Family Promise of Hawai`i homeless program. I can hardly express the pain in seeing families with young children who have been evicted and end up homeless. The families lose their deposit. The parents lose their dignity. And the children lose their home and their security.

We appreciate anything that the legislature can do to support housing stability in Hawai`i.

Again, I respectfully request that you support SB 825 SD2.

Warmest aloha,

Kay Lorraine-Bate

Juris Doctorate, Richardson School of Law

Legal Master of Dispute Resolution, Pepperdine School of Law

### SB-825-SD-2

Submitted on: 3/12/2025 10:05:01 AM Testimony for CPC on 3/12/2025 2:00:00 PM



Submitted By	Organization	Testifier Position	Testify
Dyani Cantu	Individual	Support	Written Testimony Only

#### Comments:

I am writing this testimony in support of HB825. As someone who has worked as a case manager in social services, 5 days is not enough time for someone to move, re-situate and find another place or even shelter. 10 days is still a short period of time, but its a significant increase in the amount of time and helps tenants.

I read testimony in opposition/concerned stating that 10 days will not change the tenant's financial situation and that Act 57 was effective when the State rental assistance program was available. While I agree with these points, I would like to respectfully point out that select non-profits still offer rental assistance occasionally through services they offer to their clients, with money from grants of their own, **separate** from the City and County and the State rental assistance program. That being said, it is possible for tenants to get rental relief/help in 10 days. I second that the State needs to re-implement the rental assistance program, but getting rent funded in 10 days is difficult, definitely, but **not impossible.** Additionally, many tenants start gofundmes or crowdfund to ask for help and are successful in raising the amount of money owed.