
February 2, 2015

The Honorable Mark J. Hashem, Chair

House Committee on Housing
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: H.B. 25, Relating to Discrimination

HEARING: Monday, February 2, 2015 at 8:30 a.m.

Aloha Chair Hashem, Vice Chair Jordan, and Members of the Committee:

I am Aron Espinueva, Government Affairs Analyst, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,400 members. HAR **opposes** H.B. 25 which prohibits discrimination in rental of real property based on lawful source of income.

H.B. 25 makes it a discriminatory practice under the Landlord-Tenant Code, similar to Hawaii's Fair Housing law (Hawai'i Revised Statutes Chapter 515), to engage in a broad list of discriminatory practices based on source of income. Provisions under HRS Chapter 515 apply to appraisals, mortgages, mortgage lending, real estate contracts, inspection, and real estate services, which does not apply equally in rental transaction.

HAR is concerned that this measure proposes to add a prohibition against discrimination based on lawful source of income to the Landlord-Tenant code, despite the existence of Chapter 515 which already protects against other discriminatory practices under Hawaii's fair housing law. This measure also elevates the "source of income" factor in the Landlord-Tenant code, and essentially equates it to the level of a "protected class" under Hawaii's fair housing law.

Reviewing a rental applicant's financial background is an essential element of a landlord's decision making process when selecting a new tenant. By prohibiting discrimination based on the source of income, all landlords and property managers may be exposed to potential liability for engaging in normal business practices.

HAR believes that government subsidized programs, such as Section 8, are an important part of our community's social safety net. However, imposing this requirement on all landlords and property managers, even those outside of the Section 8 program, undermines their ability to perform basic responsibilities set forth in the Landlord-Tenant code.

For the foregoing reasons, we respectfully request that this committee hold this measure.

Mahalo for the opportunity to testify.



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
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PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION
TO THE HOUSE COMMITTEE ON HOUSING
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

FEBRUARY 2, 2015
8:30 AM

TESTIMONY OFFERING **COMMENTS** ON H.B. 25, RELATING TO DISCRIMINATION.

TO THE HONORABLE MARK J. HASHEM, CHAIR,
AND TO THE HONORABLE JO JORDAN, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

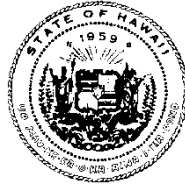
The Department of Commerce and Consumer Affairs (“Department”), Office of Consumer Protection (“OCP”), offers the following **comments** on H.B. 25, Relating to Discrimination.

H.B. 25 adds four new sections to the Hawaii Residential Landlord-Tenant Code to prohibit discrimination based on lawful source of income and adds definitions for “rental transaction” and “source of income.”

The Department defers to the Hawaii Civil Rights Commission on the merits of the bill, but if these new sections are adopted, the Department recommends that they be placed in Chapter 515, Hawaii Revised Statutes (“HRS”), (Discrimination in Real Property Transactions) instead of HRS Chapter 521 (Residential Landlord-Tenant Code).

Thank you for the opportunity to offer **comments** in support of H.B. 25.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
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Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

February 2, 2015 8:30 A.M.
Room 329, Hawaii State Capitol

In consideration of

House Bill 25

Relating to Discrimination

Honorable Chair Hashem and Members of the House Committee on Housing, thank you for the opportunity to provide you with comments regarding House Bill (H.B.) 25, relating to discrimination.

The Hawaii Public Housing Authority (HPHA) strongly supports the enactment of this measure, which would prohibit discrimination based on lawful sources of income in the rental of real estate, including advertisements for available rental units.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

One of the programs in which the HPHA assists our low-income families is through the Housing Choice Voucher Program, also known as "Section 8". The Section 8 program is one of the federal government's major programs for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market, including single-family homes, townhouses and apartments. This program currently brings approximately 20 million dollars a year on the island of Oahu, supports over 1,900 families and over 6,000 individuals. The HPHA has recently started the process to lease up participants on its Section 8 waitlist, and hopes to have an additional 300 families participating in the program.

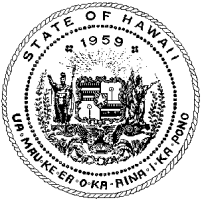
Hawaii Public Housing Authority

January 31, 2015

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Because of the overwhelming need in our community to assist our low-income families, we are hopeful that with the passage of this measure, our Section 8 participants will be considered as tenants and given a chance to apply for vacant units. The Section 8 program is an important part of the State's efforts in addressing the affordable housing needs of our low-income families, and the HPHA is willing to work and assist all landlords that would like to participate in the program.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's position regarding H.B. 25. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support to address the affordable housing crisis facing Hawaii.



HAWAI‘I CIVIL RIGHTS COMMISSION

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February 2, 2015
Rm. 329, 8:30 a.m.

To: The Honorable Karl Rhoads, Chair
Members of the House Committee on Judiciary

From: Linda Hamilton Krieger, Chair
and Commissioners of the Hawai‘i Civil Rights Commission

Re: H.B. No. 25 (revised testimony)

The Hawai‘i Civil Rights Commission (HCRC) has enforcement jurisdiction over Hawai‘i’s laws prohibiting discrimination in employment, housing, public accommodations, and access to state and state funded services. The HCRC carries out the Hawai‘i constitutional mandate that no person shall be discriminated against in the exercise of their civil rights. Art. I, Sec. 5.

The HCRC supports H.B. No. 25, which amends the Landlord-Tenant Code (HRS Chapter 521) to prohibit housing discrimination against persons based on their source of income, including government or private assistance. While this new protection is different in kind from the protected bases under fair housing law, there is some correlation between the protected bases under federal and state fair housing law and those who receive rental assistance and other sources of income from government programs – many are people living with disabilities, families with children, single female heads of household, and members of racial minority groups.

In recent years a number of courts have held that other state discrimination laws which include protection for renters who have Section 8 vouchers as a source of income are not preempted by federal Section 8 law (which states that participation in the Section 8 program is voluntary), and that the burden of participating in the Section 8 program is not onerous.

The HCRC supports H.B. No. 25 because it places the proposed new protections in the Landlord-Tenant Code, not in HRS Chapter 515. The Commission cannot predict the potential impact of adding

source of income as a protected basis to the housing discrimination law. This new protected basis is different in kind from others covered under Chapter 515, and would include not only recipients of welfare or AFDC, but also recipients of Social Security, Supplemental Security Income and other government and non-government benefits or income. The HCRC had concerns over a similar bill introduced in 2014, which in its original form placed this new protection in Chapter 515 and under HCRC jurisdiction, because of the potential impact on complaint caseload and processing, especially in light of the impact of lost investigation and enforcement capacity since 2008. The H.B. No. 25 addresses the HCRC's concerns, placing these protections under HRS Chapter 521 with a private right of action for any violations. The HCRC supports H.B. No. 25.