

JOSH GREEN, M.D. GOVERNOR | KE KIA'ÄINA

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ÄINA

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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DEAN I HAZAMA DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

Before the Senate Committee on Commerce and Consumer Protection Friday, March 22, 2024 9:40 a.m. Via Videoconference

On the following measure: S.C.R. 183, URGING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS AND MAUI COUNTY TO INVESTIGATE AND ENFORCE APPLICABLE LAWS AGAINST LANDLORDS WHO ARE ENDING RENTAL AGREEMENTS TO HOUSE FEMA-ELIGIBLE HOUSEHOLDS THROUGH THE DIRECT LEASE PROGRAM OR THE DEPARTMENT OF HUMAN SERVICES RENTAL ASSISTANCE PROGRAM.

Chair Keohokalole and Members of the Committee:

My name is Mana Moriarty, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department appreciates the intent of this resolution and provides the following comments.

This resolution calls attention to Maui homeowners who are not renewing lease agreements with existing tenants, allegedly displacing them to make room for households eligible for FEMA relief through the Direct Lease Program and households supported by the State Rental Assistance Program. Such conduct may violate the Testimony of DCCA S.C.R. 183 Page 2 of 2

Emergency Proclamation. It should be immediately reported to the State of Hawaii Department of the Attorney General.

On October 23, 2023, Attorney General Anne E. Lopez publicly sought information regarding illegal residential rent increases and evictions on the Island of Maui. News Release 2023-50 available at <u>https://ag.hawaii.gov/wp-</u> content/uploads/2023/10/News-Release-2023-50.pdf. Attorney General Lopez stated:

"We are aware of reports of Maui landlords raising rent beyond what was being assessed for the same unit as of August 9, 2023," said Attorney General Lopez. "The purpose of the rent and eviction restrictions in the Emergency Proclamation is to address the unprecedented humanitarian crisis caused by the August wildfires. If you believe that a landlord on Maui is acting illegally under the Emergency Proclamation, report what you know to the Department of the Attorney General."

The Department has worked with reporting parties to refer possible violations of the Emergency Proclamation to the Department of the Attorney General. We are informed that the AG has received, and continues to receive, tips and complaints about potential violations of the Emergency Proclamation.

Thank you for the opportunity to testify on this resolution.



DEPARTMENT OF THE ATTORNEY GENERAL

KA 'OIHANA O KA LOIO KUHINA

JOSH GREEN, M.D. GOVERNOR

ANNE LOPEZ ATTORNEY GENERAL

News Release 2023-50

ATTORNEY GENERAL LOPEZ SEEKS INFORMATION REGARDING ILLEGAL RESIDENTIAL RENT INCREASES, EVICTIONS ON THE ISLAND OF MAUI

FOR IMMEDIATE RELEASE

October 23, 2023

HONOLULU – Attorney General Anne Lopez is asking residential rental tenants on the island of Maui to inform the Department of the Attorney General if their landlords are illegally raising rent or threatening them with eviction for failure to pay rent, taxes, or fees.

Under the Seventh Proclamation Relating to Wildfires, signed by Governor Josh Green, M.D. (the Emergency Proclamation), the landlord of a residential dwelling unit on the island of Maui is prohibited from charging more rent than what was being assessed as of August 9, 2023, unless such rent increase is contained in a written agreement that was signed by the tenant prior to August 9, 2023.

It does not matter if the landlord re-rents the property to a new tenant or enters into a new agreement with the same tenant—the rent cannot exceed what was being assessed as of August 9, 2023, so long as the prohibition on rent increases in the Emergency Proclamation and subsequent emergency proclamations remains in effect.

Additionally, under the Emergency Proclamation, a landlord on the island of Maui is prohibited from initiating, continuing, or prosecuting an eviction action against a residential rental tenant for failure to pay all or any portion of the rent, maintenance fees, utility charges, taxes, or other fees for the residential unit. Given this prohibition, merely threatening eviction under such circumstances may constitute an unlawful act. Department of the Attorney General News Release 2023-50 Page 2

Landlords violating these provisions of the Emergency Proclamation may be subject to penalties and remedies as provided by law, including civil penalties of up to \$10,000 per day. See sections 127A-30(e) and 480-3.1, Hawaii Revised Statutes.

"We are aware of reports of Maui landlords raising rent beyond what was being assessed for the same unit as of August 9, 2023," said Attorney General Lopez. "The purpose of the rent and eviction restrictions in the Emergency Proclamation is to address the unprecedented humanitarian crisis caused by the August wildfires. If you believe that a landlord on Maui is acting illegally under the Emergency Proclamation, report what you know to the Department of the Attorney General."

If you would like to report a Maui landlord for potentially violating the terms of the Emergency Proclamation, email your complaint to <u>hawaiiag@hawaii.gov</u>.

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Media Contact:

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March 21, 2024

Sen. Jarrett Keohokalole, Chair Sen. Carol Fukunaga, Vice-Chair Senate Committee on Commerce & Consumer Protection

Re: SCR 183/SR 157 – Testimony in Support

Dear Chair Keohokalole, Vice-Chair Fukunaga and Members of the Senate Committee on Commerce & Consumer Protection,

My name is Eric Arquero, providing testimony on behalf of Kaibigan ng Lahaina. Kaibigan ng Lahaina is a community organization, comprising of Lahaina residents, established after the August 8, 2023, Lahaina Wildfires with the mission to promote and facilitate the relief, recovery and revitalization of the Filipino community in Lahaina. We would like to offer testimony in support of Senate Concurrent Resolution 183/Senate Resolution 157.

We have heard from both FEMA and the County of Maui, how existing tenants in rental units within Lahaina were being evicted so that landlords could attempt to rent their units for higher rental payments through FEMA's Direct Housing program, were unintended consequences to provide wildfire victims with intermediate housing solutions. While these incidents may be unintended they are very much tangible and has caused for both fear and tensions to arise in our community. Rental housing in West Maui was very limited, prior to the fires, and now as many of our community members desperately try to stay in Lahaina, the housing rental market here has become volatile. While FEMA has ascertained that they will not contract with landlords who conduct themselves in this unsavory manner, the truth remains is that such incidents have occurred and we fear may occur in the future as affordable housing solutions in Lahaina is yet to be planned and/or provided. We foresee that this situation will cause unnecessary fear, agitation, and difficulty in our community as we try to recover and rebuild.

I'd also like to note that the solutions offered to these types of situations have been varied, with FEMA and the County of Maui advising persons to report these incidents to the State Attorney General's office which has unfortunately caused for incomplete discourse on what preventions and ramification can be levied to address this issue, despite the fact that the victims of the fire consists not only of those who lost homes but our entire community in West Maui that is trying to navigate this recovery. This unintended consequence has summoned a discussion that we wish we wouldn't have to fathom pitting residents against residents in the name of profits. We do not believe that our community can resolve such unintended consequences without proper response and action of the government entities making these decisions. With reports noting that 87% of those who lost housing on August 8, 2023, were renters, we



assume that complete demographic of renters in West Maui would be proportionate to this report, providing special note that a large number of renters in Lahaina are immigrants seeking housing near their places of employment/schools.

Appropriate and adequate monitoring, enforcement and regulations to provide protections for tenants in Lahaina should be applied, hence, we agree and support the passage of these resolutions, as means to address this problematic issue and request the full cooperation of the DCCA, the County of Maui, FEMA and other governmental entities to utilize opportune measures in protecting our residents in Lahaina from unjust evictions.

Thank you for the opportunity to provide written testimony in support of these measures.

Sincerely,

Eric C. Arquero On behalf of: D. Andres-Arellano, R. Corpuz, S. Corpuz, C. Lulu, T. Somera & N. Ugale Jr. Board Members for Kaibigan ng Lahaina