

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice **Support for H.B. 1439 HD2 – Relating to Eviction Mediation** Senate Committees on Commerce & Consumer Protection and Judiciary Friday, March 17, 2023, at 9:40AM, Conf. Rm. 016 and via Videoconference

Dear Chair Keohokalole, Chair Rhoads, and members of the Committee on Commerce & Consumer Protection and Committee on Judiciary:

Thank you for the opportunity to express our **STRONG SUPPORT for H.B. 1439 HD2**, which will establish a pre-litigation mediation and rent relief program that has the potential to help prevent thousands of evictions. We also offer suggested amendments to ensure that the rent relief program created by this bill will have the greatest possible impact.

Everyone benefits from housing stability. Around 2,500 evictions are filed every year in Hawai'i. Evictions are harmful to the landlords who rely on rent payments, to the tenants who lose their homes, and to our community—which incurs an estimated \$30 million in costs for public and emergency services needed as a result of evictions. We estimate that for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.<sup>1</sup>

**H.B. 1439 HD2 is patterned off emergency rent relief and pre-litigation mediation (Act 57) programs created by the Hawai`i legislature in response to the pandemic–some of the most effective programs in the nation for preserving housing stability.** Having both tools available for landlords and tenants who went through mediation resulted in 87 percent of eviction cases settling, compared to the norm of 47 percent. Most importantly, 85 percent of settlements resulted in tenants remaining in the home, relative to the more typical 11 percent rate pre-Act 57.

The rent relief & pre-litigation mediation programs Hawai'i put into place during the pandemic taught us important lessons:

- Rent relief and pre-litigation mediation are each helpful, but most powerful when combined.
- Keep it simple. Securing rent relief was challenging for many tenants and landlords because of onerous documentation requirements to show that tenants qualified. As a result, some households that needed assistance weren't able to access it, and administration of the program was more time-consuming and costly than it needed to be.
- Outreach and support services are key. Tenants who are intimidated by the prospect of eviction,

<sup>&</sup>lt;sup>1</sup> According to estimates generated by the "Eviction Cost Calculator" (<u>https://law.arizona.edu/eviction-calculator</u>), 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.

The Hawai'i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

or hopeless about their situation, need additional assurances that the pre-litigation mediation and rent relief options available to them are an effective way to preserve their housing. Tenants will often need time and support getting back on track to housing stability.

## How Rent Relief & Pre-Litigation Mediation Under HB1439/SB1439 Will Work

HB1439/SB1439 incorporates the lessons learned from the pandemic into a streamlined rent relief & mediation program. Under the program, before an eviction for non-payment of rent can be filed with the court, the tenant must be offered pre-litigation mediation. Participants in pre-litigation mediation will have exclusive access to a rent relief fund that can be used to help pay arrears and provide a shallow rent subsidy of \$500 a month for a few months, buying the tenant time to get back to a more stable financial situation.

The benefits of this approach include the following:

- Limiting the rent relief to a relatively low amount (e.g., \$5,000 to \$8,000) mitigates the need for income qualifications and the corresponding onerous documentation requirements. Not only are the households that face eviction typically lower-income, people with high-cost rentals are unlikely to be able to use the subsidy to preserve high cost housing because the amount they could receive is limited.
- Making rent relief available only to pre-litigation mediation participants:
  - Stretches the dollars committed to rent relief by making it a program of last resort;
  - Helps mitigate the potential of cannibalizing funding from federally-subsidized rent relief programs that are harder to qualify for and access; and
  - Mitigates the likelihood of fraud in the program. The requirement that people show up in person or via video-conference and engage in mediation make it far less likely that people will be able to take unfair advantage of the program.

## **Recommendations to Strengthen HB1439**

Based on our research of the pandemic rent relief and mediation programs, supported by the Urban Institute,<sup>2</sup> we make the following recommendations:

• Allocate sufficient resources for administration of the rent relief, mediation, outreach, navigation services and data collection, <u>totalling \$14.378 million</u> for each year of the program.

The bill currently contemplates capping the annual amount of rent relief distributed to \$11.25 million, which could cover up to 2,250 households (out of the 2,500 that typically face eviction each year), with an average payout of \$5,000.

We recommend allocating \$1.438 million for mediation services, which were so critical to the program's success (the amount requested would provide an average of \$575 for each of the estimated 2,500 mediation files to be opened, and is based on costs associated with running the

<sup>&</sup>lt;sup>2</sup> Eviction Prevention Through Hawai'i's Tenant-Landlord Mediation Program, Hawai'i Appleseed, Oct. 2022 (available at <u>https://hiappleseed.org/publications/eviction-prevention-mediation-hawai'i</u>).

program during the pandemic).

We also recommend allocating \$1.725 million for administering the rent relief program. Even a streamlined program carries some administration costs. It is important to include in those costs funding for outreach and navigation services. Outreach ensures tenants fully understand and make use of the opportunity mediation and rent relief present for preserving their housing. Navigators help tenants walk through what can be a daunting process, and they can connect tenants with resources that help them achieve long-term financial sustainability. Assuming 2,250 households receive rent relief, \$1.725 million would provide close to \$770 per household for administration, outreach, and navigation services.

• Increase the cap on the total amount of rent relief available to a household at \$8,000—up to \$5,000 for arrears plus up to \$3,000 for an ongoing shallow rent subsidy of \$500 per month for six months. These figures are based on average distributions of pandemic rent relief that ranged between \$2,250 and \$6,000 depending on the program and county.

\$5,000 of available rent relief should assist a household of four with nearly two months of back rent, covering enough of the arrears that a tenant is likely to be able to remain an ongoing tenant. Having a shallow rent subsidy of \$500 for six months is key to give the tenant time to get back on track financially or explore other options.

Increasing the cap any one household can receive can provide flexibility for when a higher amount for arrearage and future payments is necessary, but because most households will likely receive less than the full amount, increasing the per household cap need not increase the total cost of the program.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please **PASS HB1439 HD2**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.



CATHOLIC CHARITIES HAWAI'I

## TESTIMONY IN SUPPORT OF HB 1439 HD2: RELATING TO EVICTION MEDIATION

TO: Senate Committees on Commerce and Consumer Protection and Judiciary
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Friday, 3/17/23; 9:40 AM; CR 016 & via videoconference

Chair Kaohokalole, Chair Rhoads, and Members, Committees on Commerce and Consumer Protection and Judiciary:

Thank you for the opportunity to provide testimony **in Support** of HB 1439 HD2 which requires pre-litigation mediation before an eviction for non-payment of rent can be filed with the court, with rent relief for tenants in mediation. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai`i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai`i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai`i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

To effectively end homelessness, Hawai`i must focus on prevention. Currently, many people who are experiencing homelessness are successfully placed into permanent housing. However, is may seem as if nothing is being done since more families, elders, and individuals fall into homelessness, replacing those who have been housed. Families who are evicted are at high risk for homelessness. Historically, Hawai`i has had about 2,500 eviction filed with the courts each year. The eviction prevention programs developed during the pandemic with it even higher risk for evictions, demonstrated that these programs can work to keep tenants housed. Both tenants and landlords benefit from a process in which tenants can remain in housing and landlords get the rent due to them.

Hawai'i's people depend on all of us to continue to pay attention to the high personal and systems costs for evictions, now that the pandemic is subsiding. The trauma to tenants and landlords is great. The community costs are great. An estimated \$30 million in public and emergency services are needed due to evictions. Let's close the spigot and reduce the flow of families into homelessness.

Catholic Charities Hawai`i supports **increasing the total program funding to cover program administration, outreach and navigation services, as well as increasing the cap on rent relief to \$8,000 per household.** Outreach could reach tenants before they dig such a big hole for rent that it may be difficult to resolve. Financial counseling and navigation services are the missing piece to help these tenants become more financially stable while they receive a few months of rent relief. The goal would be long-term sustainability.

Please pass HB 1439 HD2 with amendments that strengthen both tenants and landlords. Please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813, if you have any questions.







Senator Jarrett Keohokalole, Chair, Committee on Commerce & Consumer Protection Senator Carol Fukunaga, Vice Chair, Committee on Commerce & Consumer Protection
Senator Karl Rhoads, Chair, Committee on Judiciary
Senator Mike Gabbard, Vice Chair, Committee on Judiciary
Paula Arcena, External Affairs Vice President Mike Nguyen, Public Policy Manager
Friday, March 17, 2023, 9:40 AM, Conference Room 016
HB1439 HD2 Relating to Eviction Mediation

AlohaCare appreciates the opportunity to provide testimony in **support of HB1439 HD2**. This measure establishes and appropriates funds for a pre-litigation mediation pilot program, requires landlords to participate in mediation before filing an action for summary possession, and creates and appropriates funds for an emergency rent relief program.

Founded in 1994 by Hawai`i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 80,000 Medicaid and dual-eligible health plan members on all islands. Approximately half of our membership are keiki. We are Hawai`i's only health plan exclusively dedicated to serving Medicaid beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality health care for all. We believe that health is about supporting whole-person care.

AlohaCare's commitment to whole person care includes addressing a variety of social determinants of health, including housing, economic stability, and nutrition among other factors. We understand that without housing, our members are less able to focus on their health and well-being. We were fortunate to work with and sponsor reports by the Hawai`i Budget & Policy Center in 2022 and 2023, "<u>Good Health Depends on Decent Housing</u>" and "<u>Keeping Hawai`i Housed</u>" to advance health through housing solutions. What we knew was made evident: lack of safe, stable housing is often associated with poor health outcomes, including higher levels of chronic stress, increased incidence of chronic conditions like obesity and heart disease, and higher incidences of adverse childhood experiences for families with children. Unaffordable housing can cause stress and produce cumulative effects that result in mental and physical health problems. Even more daunting are the challenges faced by people experiencing homelessness where living conditions—the stress and conflict of crowded shelters or living on the streets, emotional trauma, unsanitary conditions, sleep deprivation, violence, etc.—magnify mental and physical health problems.

HB1439 HD2 will build upon the success of Act 57 which resulted in about 85% of tenants, or 1,500 residents, remain housed setting them up for better health outcomes.

Mahalo for this opportunity to testify in support of HB1439 HD2 with comments.



808-733-7060

808-737-4977

1259 A'ala Street, Suite 300 Honolulu, HI 96817

March 17, 2023

# The Honorable Jarrett Keohokalole, Chair

Senate Committee on Commerce and Consumer Protection

# The Honorable Karl Rhoads, Chair

Senate Committee on Judiciary State Capitol, Conference Room 016 & Videoconference

# RE: House Bill 1439, HD2, Relating to Eviction Mediation

# HEARING: Friday, March 17, 2023, at 9:40 a.m.

Aloha Chair Keohokalole, Chair Rhoads, and Members of the Joint Committees:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS<sup>®</sup> ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR provides **comments** with suggested amendments on House Bill 1439, HD2, which establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program. Effective 6/30/3000.

HAR appreciates the intent of this measure and supports emergency rent relief as it helps both tenants struggling to make their rent payments as well as housing providers who may have mortgage payments. We also believe that if mediation is to occur to resolve disputes that it be conducted by trained professionals to ensure that the process is conducted efficiently and effectively for all parties. Finally, we are supportive of the sunset date of June 30, 2025 in this measure in order to be able to evaluate its impact.

We respectfully request an effective date of November 1<sup>st</sup>, to allow our organization time to update our Rental Agreement Standard Form and to educate our members on the required changes. November is the timing for the next batch of updates to all our Standard Forms which are utilized by the entire industry.

Thank you for your consideration of our comments. Mahalo for the opportunity to testify.



JOSH GREEN, M.D. GOVERNOR



HAKIM OUANSAFI EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO EXECUTIVE ASSISTANT

IN REPLY, PLEASE REFER TO:

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY 1002 NORTH SCHOOL STREET POST OFFICE BOX 17907 HONOLULU, HAWAII 96817

Statement of Hakim Ouansafi, Executive Director Hawaii Public Housing Authority

# Before the SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION AND SENATE COMMITTEE ON JUDICIARY

9:40 a.m., March 17, 2023 Hawaii State Capitol Room 016

# In consideration of HB 1439, HD2 RELATING TO EVICTION MEDIATION

Honorable Chair Keohokalole and Chair Rhoads, and members of the Senate Committee on Commerce and Consumer Protection and Senate Committee on Judiciary, thank you for the opportunity to provide testimony concerning House Bill (HB) 1439, HD2, relating to eviction mediation.

The Hawaii Public Housing Authority (HPHA) <u>supports</u> the enactment of HB 1439, HD2, which would establish a pre-litigation mediation pilot program and an emergency rent relief program, the latter of which would be administered by the HPHA.

The HPHA's mission is to provide Hawaii's residents with adequate and affordable housing, economic opportunity, and suitable living environments that are free from discrimination through both its public housing and rental assistance programs. The HPHA serves our state's most disadvantaged populations, including families earning less than thirty percent of the Area Median Income (AMI), the disabled, and the elderly.

Senate Committee on Commerce and Consumer Protection Senate Committee on Judiciary March 17, 2023 Page 2

Act 57, Session Laws of Hawaii (SLH) 2021, demonstrated how the combination of a robust prelitigation mediation process with rental relief led to significantly better outcomes for local families struggling to make ends meet. In its October 2022 report on Act 57, the Hawaii Appleseed Center for Law & Economic Justice found that the Tenant-Landlord Mediation Program resulted in a much higher rate of successful mediation results when compared to similar programs which held mediation post-filing of an eviction action. Tenants were also much more likely to remain in their unit.

The HPHA appreciates the opportunity to provide the committee with its testimony regarding HB 1439, HD2. We thank you very much for your dedicated and continued support.



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: Senate Committees on Commerce and Consumer Protection and on Judiciary

Dear Chairs Keohokalole and Rhoads, Vice Chair Fukunaga and Gabbard, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 1439, HD2**. This bill establishes and appropriates funds for a pre-litigation mediation pilot program, requires landlords to participate in mediation before filing an action for summary possession, and creates and appropriates funds for an emergency rent relief program.

#### HCAN Speaks! Board of Directors

Liza Ryan Gill President

Nick Kacprowski, J.D. Treasurer

> Mandy Fernandes Secretary

Teri Keliipuleole Jasmine Slovak Erica Yamauchi A similar program that combined mediation and rent relief during the height of the pandemic proved highly successful and was credited with preventing hundreds of tenants in our state from being evicted.<sup>1</sup> We should build on that success and use the lessons learned to create a new mediation and rent relief program.

About 111,000 children in our state live in families that spend more than 30% of their income on housing, which is considered a high housing cost burden. This equates to 37% of all children in our state, ranking Hawai'i a concerning 48<sup>th</sup> among the states for housing affordability.<sup>2</sup>

It is well established that housing instability has harmful effects on children's health and educational outcomes<sup>3</sup> and that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.<sup>4</sup>

While the threat of evictions was especially dire when our unemployment rate was high, Hawai'i had a housing affordability and homelessness crisis before the pandemic, and we will still have it after it ends. That's why this type of program is so important.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo Director of Research and Economic Policy

Re: **HB 1439, HD2 – Relating to Eviction Mediation** Hawai'i State Capitol and Via Videoconference March 17, 2023, 9:40 AM

<sup>&</sup>lt;sup>1</sup> <u>https://www.hawaiipublicradio.org/local-news/2022-10-19/report-mandatory-mediation-saved-hundreds-of-tenants-from-eviction</u>

<sup>&</sup>lt;sup>2</sup> https://www.hawaii-can.org/kids count 2022 hawaii profile

<sup>&</sup>lt;sup>3</sup> <u>https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes</u>

<sup>&</sup>lt;sup>4</sup> <u>https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty</u>



Housing Hawaii's Future PO Box 3043 Honolulu, HI 96802-3043

March 17, 2023

Dear Chair Keohokalole, Vice Chair Fukunaga, Chair Rhoads, Vice Chair Gabbard and members of the committees,

Housing Hawai'i's Future is a movement led by young locals who will create opportunities for Hawai'i's next generation by ending the workforce housing shortage.

On behalf of Housing Hawai'i's Future, **I write in SUPPORT of HB 1439**, which establishes and appropriates funds for a pre-litigation mediation pilot program.

We believe that pro-supply and pro-tenant policies can coexist, as outlined by Shane Phillips in his excellent book *The Affordable City: Strategies for Putting Housing Within Reach (and Keeping it There).* 

HB1439 helps address the asymmetry that exists between renters and landlords. It will help to prevent evictions, which have disastrous consequences for renters (especially when families with children are put out onto the street).

### Please support HB1439.

Thank you,

Steeling High

Sterling Higa Executive Director Housing Hawaiʻi's Future

sterling@hawaiisfuture.org +1 (808) 782-7868 **JOSH GREEN, M.D.** GOVERNOR KE KIA'ĀINA



CATHY BETTS DIRECTOR KA LUNA HO'OKELE

JOSEPH CAMPOS II DEPUTY DIRECTOR KA HOPE LUNA HO'OKELE

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 15, 2023

TO: The Honorable Senator Jarrett Keohokalole, Chair Senate Committee on Commerce & Consumer Protection

The Honorable Senator Karl Rhoads, Chair Senate Committee on Judiciary

FROM: Cathy Betts, Director

SUBJECT: <u>HB 1439 HD2</u> – RELATING TO EVICTION MEDIATION.

Hearing: March 17, 2023, 9:40 a.m. Conference Room 016 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION**: The Department of Human Services (DHS) supports this

measure and defers to the Judiciary and the Hawaii Public Housing Authority.

**PURPOSE**: This bill establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program. Effective 6/30/3000. (HD2)

The Committee on Housing amended the measure by:

- (1) Changing the appropriation for the Judiciary to contract for mediation services to an unspecified amount;
- (2) Specifying that participants in the Emergency Rent Relief Program are limited to a maximum of \$5,000 under the program;
- (3) Clarifying that participants in the Emergency Rent Relief Program may choose to receive rent relief either as a lump sum payment of \$3,000 plus four monthly payments of \$500 or ten monthly payments of \$500;

- (4) Increasing the yearly cap of payments allowed under the Emergency Rent Relief Program to \$11,250,000;
- (5) Clarifying that the requirements for the Hawaii Public Housing authority to establish rules and qualification standards apply to the Emergency Rent Relief Program and its participants, rather than the Pre-Litigation Mediation Pilot Program;
- (6) Expanding the authorized uses of the appropriation for the Emergency Rent Relief Program to be used to cover administrative costs of the program;
- Making the Pre-Litigation Mediation Pilot Program effective on September 1, 2023;
- (8) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

The Committee on Commerce & Consumer Protection further amended the measure by:

- (1) Clarifying that the rules for the Emergency Rent Relief Program shall prohibit a tenant from participating in the Program more than once; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

DHS appreciates the Legislature's effort to incorporate the pre-litigation mediation program temporarily established by Act 57, Session Laws of Hawaii 2021. Mediation assisted many low-income renters in avoiding eviction or allowed a negotiated move-out that avoided further judicial proceedings and judgments. The program also gave assurance to landlords that payment was forthcoming. Preventing eviction allows families, especially with children, to remain in stable housing, allows children to continue to attend their community schools, and maintains their community social connections. Conversely, housing instability can result in long-term health outcomes, school and employment disruption, and increased family stress.

Lastly, providing funds for an emergency rent relief program will help families who are back on their rent as the federal pandemic rental subsidies end.

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





# The Judiciary, State of Hawai'i

## Testimony to the Thirty-Second State Legislature, 2023 Regular Session

Senate Committee on Commerce and Consumer Protection Senator Jarrett Keohokalole, Chair Senator Carol Fukunaga, Vice Chair

> **Committee on Judiciary** Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

Friday, March 17, 2023, 9:40 a.m. Conference Room 016 & Via Videoconference

> by: Judge Melanie May Deputy Chief Judge District Court of the First Circuit

Judge Blaine J. Kobayashi Deputy Chief Judge District Court of the Second Circuit

Judge Michelle K. Laubach Deputy Chief Judge District Court of the Third Circuit

Judge Michael K. Soong Deputy Chief Judge District Court of the Fifth Circuit

## WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 1439, H.D. 2, Relating to Eviction Mediation

**Purpose:** Establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program. Effective 6/30/3000. (HD2) Testimony to the Senate Committee on Commerce and Consumer Protection / Senate Committee on Judiciary HB1439, H.D. 2, Relating to Eviction Mediation March 17, 2023 Page 2

# **Judiciary's Position:**

The Judiciary SUPPORTS this measure. When the COVID-19 pandemic began, there were predictions that thousands of evictions would flood the court system. The enactment and implementation of Act 57, Session Laws of Hawai'i 2021, helped to avert the anticipated 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. Under Act 57, 85% of the 1,660 cases mediated statewide settled without litigation. Moreover, in the First Circuit, 85% of these settlements resulted in tenants remaining in their homes.

The Judiciary joins the House Committee on Housing's respectful request, in its committee report, for consideration of an appropriation amount of \$1,250,000 for the Judiciary to contract for mediation services to implement this measure.

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

Thank you for the opportunity to testify on this measure.



Testimony of the Hawai'i Housing Affordability Coalition <u>SUPPORTING HB1439 HD2</u>– Relating to Housing Conference Room 106 & Videoconference Friday March 17th, 2023 at 9:40AM

Dear CPN Chair Keohokalole and JDC Chair Rhoads and other members of the CPN and JDC Committees,

HiHAC is submitting testimony in STRONG SUPPORT OF HB1439, which establishes and funds a pre-litigation mediation pilot program and supplementary emergency rent relief program. We also provide suggested amendments to strengthen the legislation. Since the beginning of the COVID-19 pandemic in early 2020, Hawai'i 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. HB1439 will help build a bridge towards more permanent rental assistance and mediations programs in the future.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, there 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 led to homelessness. 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 room at hospitals, and foster care and juvenile detention. According to research by Hawai'i Appleseed Center for Law and Economic Justice, for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

#### **Recommendations to Strengthen HB1439**

Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute, HB1439 could be strengthened through the following amendments:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs.
- **Cap the total amount of rent relief available to a household at \$8,000** \$5,000 to cover arrears, plus six-monthly payments of \$500 to cover future rent.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please PASS **HB1439 HD2**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify. –HiHAC

#### Hearing Date: Friday March 17<sup>th</sup>, 2023 Senate Committees on Commerce and Consumer Protection (CPN) and on Judiciary (JDC) Submitted by The Mediation Center of the Pacific, Inc. HB1439 - Relating to Eviction Mediation

Dear CPN Chair Keohokalole and JDC Chair Rhoads and other members of the CPC and JDC Committees,

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT OF HB1439, which establishes and funds a pre-litigation mediation pilot program and supplementary emergency rent relief program. We also provide suggested amendments to strengthen the legislation. Since the beginning of the COVID-19 pandemic in early 2020, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions. Combined, these programs have kept tens of thousands of families stably housed during the pandemic. HB1439 will help build a bridge towards more permanent rental assistance and mediations programs in the future.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, 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 led to homelessness. 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.

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- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs.
- Cap the total amount of rent relief available to a household at \$8,000 \$5,000 to cover arrears, plus six-monthly payments of \$500 to cover future rent.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please PASS **HB1439 HD2**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify. **The Mediation Center of the Pacific, Inc.** 



894 Queen Street Honolulu, Hawaii 96813 Phone: 808.597.6550 www.papaolalokahi.org

Senate Committee on Commerce and Consumer Protection Senator Jarrett Keohokalole, Chair Senator Carol Fukunaga, Vice Chair

> Senate Committee on Judiciary Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

## Friday, March 17, 2023, 9:40 AM, Conference Room 016 via Videoconference

#### **RE: HB 1439 HD 2 – RELATING TO EVICTION MEDIATION Position: IN SUPPORT**

Dear Chair Yamashita, Vice-Chair Kitagawa, and the Members of the Committee on Finance,

Papa Ola Lokahi testifies **IN SUPPORT** of HB 1439 HD 2, which will establish and fund a pre-litigation mediation pilot program and supplementary emergency rent relief program. During the pandemic, the state's temporary versions of these programs helped prevent evictions. This measure, which would help build a bridge towards more permanent rental assistance and mediation programs in the future, is critical to ensuring housing stability for our communities.

While the pandemic is evolving, funding for pandemic impacts and their sequelae has largely ended. Rent assistance provides one of the most direct and immediate components in a multi-pronged strategy to stabilize families. The increase in prices for housing across the state is unsustainable for all, especially for kupuna and those dependent on fixed incomes. Data collected prior to 2020 indicate that locals have been leaving Hawaii for the continental United States to achieve better economic opportunity and stability, which has significant implications for communities and our workforce. Those who choose not to or cannot leave face serious challenges and may ultimately end up homeless without robust social supports, such as those proposed in HB 1439 HD 2, to stay housed in Hawaii's housing market.

Of particular concern is the over-representation of Native Hawaiians and Pacific Islanders (NHPIs) in the homeless population. According to the <u>2022 Point In Time Count Report</u> (PIT Count), NHPIs, and multiracial people made up the largest percentages of the unhoused population: 52% of people included in the count identified NHPI as either their only race or part of their multiracial identity, and 81% of multiracial individuals identified NHPI as part of their racial background. In addition, the report highlighted that NHPIs were 265% more likely to represent individuals in the PIT Count compared to the general population of Oahu.

Addressing the social determinants of health – i.e., the nonmedical factors that influence health outcomes, including our physical environment – requires investment. Papa Ola Lokahi **supports HB 1439 HD 2**, which creates one of the many vehicles needed to bolster the ability of local families to remain safely housed, healthy, and connected to Hawaii.

Thank you for the opportunity to provide testimony IN SUPPORT of this critical legislation.

Papa Ola Lōkahi, the Native Hawaiian Health Board, authorized by the federal Native Hawaiian Health Care Improvement Act, is charged with raising the health status of Native Hawaiians to the highest possible level, which we achieve through strategic partnerships, programs, and public policy.



We empower people to come together to talk and to listen, to explore options, and to find their own best solutions.

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Ku'ikahi Mediation Center is a 501(c)(3) nonprofit organization, donations to which are tax-deductible. We welcome your support! Testimony to the Senate Committee on Commerce and Consumer Protection and the Senate Committee on Judiciary Friday, March 17, 2023, 9:40 a.m. Conference Room 016 & Videoconference

## RE: Support of HB 1439 HD2, Relating to Eviction Mediation

Dear Chair Keohokalole, Chair Rhoads, Vice Chair Fukunaga, Vice Chair Gabbard, and members of the Committee on Commerce and Consumer Protection and the Committee on Judiciary:

As a local non-profit organization, we **strongly encourage you to support HB 1439 HD2**, which will promote housing stability by establishing a free landlord/tenant prelitigation mediation diversion program and creating an emergency rent relief program available to participants in pre-litigation mediation to provide resources that will help avoid eviction and maintain stable tenancies.

## To increase the impact of HB 1439 HD2, we support the following amendments:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff, and outreach costs.
- Cap the total amount of rent relief available to a household at \$8,000: \$5,000 to cover arrears plus \$3,000 in six-monthly payments of \$500 each to cover future rent.

(Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute)

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. HB 1439 HD2 will help build a bridge towards more permanent rental assistance and mediation programs in the future.

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;



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ADMINISTRATIVE & PROGRAM ASSISTANT Kaitlyn Lacombe 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 Mediation Program during the period of August 7, 2021 to August 6, 2022. The legislature's passage of Act 57 and the availability of rental assistance were both 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 that includes rental assistance is crucial step to reduce the social and financial harm caused by evictions.

We strongly urge you to pass this legislation and consider the suggested amendments listed above. Thank you for reading this testimony.

a partner agency of the United Way

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

Julie Mitchell Executive Director



2700 Waialae Avenue Honolulu, Hawaii 96826 808.356.2200 • HawaiianHumane.org

Date:	March 15, 2023
To:	Chairs Sen. Jarrett Keohokalole and Sen. Karl Rhoads Vice Chairs Sen. Carol Fukunaga and Sen. Mike Gabbard and Members of the Committees on Commerce and Consumer Protection, and Judiciary
Submitted By:	Stephanie Kendrick, Director of Community Engagement Hawaiian Humane Society, 808-356-2217
RE:	Testimony in support of HB 1439, HD2: Relating to Eviction Mediation Friday, March 17, 2023, 9:40 a.m., Room 016 & Videoconference

On behalf of the Hawaiian Humane Society, thank you for considering our support for House Bill 1439, HD2, which establishes and appropriates funds for a pre-litigation mediation pilot program. Requires landlords to participate in mediation before filing an action for summary possession. Creates and appropriates funds for an emergency rent relief program.

The Hawaiian Humane Society strongly supports mediation as a means to resolve conflicts between landlord and tenants. Our frontline teams regularly refer pet owners who are facing eviction to mediation services. Mandating that landlords agree to mediation as the first step will help tenants who may struggle to advocate for themselves. We saw a halt in landlord-requested pet animal pickups related to evictions while the provisions of Act. 57 were in effect. What could have been a crisis for pets and their families at the height of the COVID epidemic was averted thanks to that program. We are thrilled that the sponsors of this bill have proposed codifying the most effective provisions of Act 57.

Hawaiian Humane also supports the emergency rent relief program outlined in HB 1439, HD2. As a voting member of Partners in Care since 2017, we have seen the harm caused by the lack of access to affordable housing, as well as the critical need for supportive services to keep people housed.

Housing insecurity is a major driver of the surrender of pets who are beloved by their families. Please pass HB 1439, HD2, and protect the wellbeing of Hawai'i's people and animals. Mahalo for your consideration.



Testimony to the Senate Committee on Commerce and Consumer Protection & Committee on Judiciary Friday, March 17, 2023, 9:40 am Conference Room 016 & Videoconference

#### Re: HB 1439, H2, Relating to Eviction Mediation

Dear Chair Keohokalole, Chair Rhoads, Vice Chair Fukunaga, Vice Chair Gabbard, and members of the Committee on Commerce and Consumer Protection and Committee on Judiciary,

We are in <u>strong support</u> of HB 1439, HD2, which establishes and funds a pre-litigation mediation pilot program and an emergency rent relief program. We also support amendments to enhance the delivery of this program.

Hawai'i residents are still struggling with housing instability, and HB 1439 would a critical role in reducing evictions — and the social and financial harm they cause. Additionally, for every dollar spent on mediation and emergency rent assistance programs, **Hawai'i taxpayers could save an estimated \$6** on homeless services, according to the Hawai'i Appleseed Center for Law and Economic Justice.

Family Promise of Hawai'i is a nonprofit working to prevent and end homelessness for families with children. We see every day how housing instability impacts children and their families. Evictions and homelessness are traumatic experiences that interrupt children's access to school, affect their physical and mental health, and impair their families' ability to find housing again in the future.

Over the past few years, temporary rent relief and landlord-tenant mediation programs have kept tens of thousands of families housed. Sadly, many households — including families with children — are still struggling to stay afloat economically. As recently as November 2022, 41% of households with children in Hawai'i had difficulty paying for their usual household expenses, such as rent<sup>1</sup>.

We have seen firsthand the transformative effect of emergency rent relief. In 2020, we partnered with Catholic Charities Hawai'i to administer the state's Rent Relief and Housing Assistance Program. Between 2021–2022, we partnered with the City and County of Honolulu and other service providers to run the O'ahu Housing Now rental assistance program.

The program established by HB 1439 builds on proven models from the past few years. Act 57 (2021), which created a temporary landlord-tenant mediation procedure, was successful in often averting eviction and its downstream effects. An October 2022 study by Hawai'i Appleseed found that "of the

<sup>&</sup>lt;sup>1</sup> Annie E. Casey KIDS COUNT Data Center: <u>https://datacenter.kidscount.org/data/tables/10896-households-with-children-that-had-difficulty-paying-for-usual-household-expenses-in-the-past-week?loc=13&loct=2#detailed/2/13/false/2502,2484,2480,2476,2472,2465,2458,2463,2448,2418/any/21185</u>

mediated settlement agreements reviewed for the study, 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."<sup>2</sup>

To strengthen HB 1439, we respectfully suggest the following amendments:

- Increase the cap on the total amount of rent relief available to a household at \$8,000: up to \$5,000 for arrears, plus up to \$3,000 for an ongoing shallow rent subsidy of \$500 per month for six months.
- Allocate sufficient resources for administration of the rent relief, mediation, outreach, financial education/navigation services and data collection, including \$1.7 million for rent assistance providers and \$1.4 million for mediation centers.

Please pass HB 1439 to help prevent evictions and keep families housed. Thank you for the opportunity to submit this written testimony.

Mahalo,

Ryan Catalami

Ryan Catalani Executive Director

<sup>&</sup>lt;sup>2</sup> Hawai'i Appleseed Center for Law and Economic Justice: <u>https://hiappleseed.org/publications/eviction-prevention-mediation-hawaii</u>



#### Hearing Date: Friday March 17<sup>th</sup>, 2023

Senate Committees on Commerce and Consumer Protection (CPN) and on Judiciary (JDC)

#### Submitted by West Hawaii Mediation Center

HB1439 - Relating to Eviction Mediation

Dear CPN Chair Keohokalole and JDC Chair Rhoads and other members of the CPC and JDC Committees,

West Hawaii Mediation Center is submitting testimony in STRONG SUPPORT OF HB1439, which establishes and funds a pre-litigation mediation pilot program and supplementary emergency rent relief program. We also provide suggested amendments to strengthen the legislation. Since the beginning of the COVID-19 pandemic in early 2020, Hawai'i 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. HB1439 will help build a bridge towards more permanent rental assistance and mediation programs in the future.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, 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 led to homelessness. 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 Law and Economic Justice, for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

#### **Recommendations to Strengthen HB1439**

Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute, HB1439 could be strengthened through the following amendments:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs.
- Cap the total amount of rent relief available to a household at \$8,000 \$5,000 to cover arrears, plus six-monthly payments of \$500 to cover future rent.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please PASS **HB1439 HD2**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

Eric Paul; Executive Director

65-1291 Kawaihae Road, Suite 104b, Kamuela, Hawaii 96743 Waimea (808) 885-5525 Fax (808) 887-0525 www.whmediation.org

West Hawaii Mediation Center is a 501(c)3 non-profit organization, helping our community prevent and resolve conflicts since 1998.

# Working it out - together.

Submitted on: 3/16/2023 11:06:48 PM Testimony for CPN on 3/17/2023 9:40:00 AM



Submitted By	Organization	<b>Testifier Position</b>	Testify
Kristen Alice	Testifying for HOPE Services Hawai'i	Support	Written Testimony Only

Comments:

Hope Services Hawai'i strongly supports this bill, and requests the following amendments:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs as broken down in Figure 1.1
- Cap the total amount of rent relief available to a household at \$8,000-\$5,000 to cover arrears, plus six monthly payments of \$500 to cover future rent.

Mahalo nui for your consideration.

HB-1439-HD-2 Submitted on: 3/13/2023 8:21:09 PM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

Communist STATE!!!!!!

Submitted on: 3/13/2023 10:07:26 PM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Many Hawai'i residents continue to face challenges in paying their rent and are faced with the prospect of eviction. Act 57 (2021) encouraged communication and facilitated mediation between landlords and tenants to help reduce summary possession cases.

Research from Hawai'i Appleseed Center indicates that the mediation procedures created by Act 57 were widely successful in substantially increasing the number of disputes that were settled without a court case, and without resulting in eviction.

This program was highly successful, and Hawai'i should continue to make use of this system. Please pass HB1439 HD2.

Submitted on: 3/14/2023 2:14:31 AM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Christy MacPherson	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am in STRONG support of HB1439 HD2. This is *absolutely* necessary in order to prevent homelessness in our state.

Mahalo for your consideration.

Submitted on: 3/14/2023 8:12:34 AM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

I support this bill. Mediation is a well known alternative dispute resolution program that can save time and money, and sometimes save relationships as well. It's a low-key way to see if the parties can resolve their dispute with the assistance of a neutral third party, without burdening our court system. Let's hope it works and becomes a model for resolution.

Thank you for consideration of my testimony

Ellen Godbey Carson

Submitted on: 3/15/2023 5:48:40 PM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Marya Grambs	Individual	Support	Written Testimony Only

Comments:

My name is Marya Grambs. While I write this testimonyas an individual, I am President of the Board of Directors of Partners in Care's nonprofit arm and member of the Board of Directors of Waikiki Health; and I am a volunteer with IHS Women's and Family Emergency Homeless Shelter. I support this bill and request two amendments:

1 - Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs

2 - Cap the total amount of rent relief available to a household at \$8,000–\$5,000 to cover arrears, plus six monthly payments of \$500 to cover future rent.

#### Hearing Date: Friday March 17<sup>th</sup>, 2023 Senate Committees on Commerce and Consumer Protection (CPN) and on Judiciary (JDC) Submitted by Planning for Community LLC HB1439 - Relating to Eviction Mediation

Dear CPN Chair Keohokalole and JDC Chair Rhoads and other members of the CPC and JDC Committees,

Planning for Community LLC consultants on urban planning and policy making for government agencies, nonprofits, and local businesses. Our work focuses on transportation and affordable housing improvements to create vibrant communities that support all people.

Planning for Community is submitting testimony in STRONG SUPPORT OF HB1439, which establishes and funds a pre-litigation mediation pilot program and supplementary emergency rent relief program. We also provide suggested amendments to strengthen the legislation. Since the beginning of the COVID-19 pandemic in early 2020, Hawai'i 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. HB1439 will help build a bridge towards more permanent rental assistance and mediations programs in the future.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. According to recent research by Hawai'i Appleseed Center for Law and Economic Justice, there 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 led to homelessness. 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 room at hospitals, and foster care and juvenile detention. According to research by Hawai'i Appleseed Center for Law and Economic Justice, for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

#### **Recommendations to Strengthen HB1439**

Based on research completed by the Hawai'i Appleseed Center for Law and Economic Justice and the Urban Institute, HB1439 could be strengthened through the following amendments:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs.
- Cap the total amount of rent relief available to a household at \$8,000 \$5,000 to cover arrears, plus six-monthly payments of \$500 to cover future rent.

Establishing a rental assistance and landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions. Please PASS **HB1439 HD2**, and consider the suggestions above, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

Abbey Seitz

HB-1439-HD-2 Submitted on: 3/16/2023 6:59:50 AM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of HD2. Thank you.

HB-1439-HD-2 Submitted on: 3/16/2023 7:51:57 AM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support

Submitted on: 3/16/2023 8:09:57 AM Testimony for CPN on 3/17/2023 9:40:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Arjuna	Individual	Support	Written Testimony Only

Comments:

Please pass HB1439 and include ammendments to strenghten the bill such as:

- Increase total program funding to at least \$14.378 million, appropriating \$3.128 million to support program administration, outreach, and navigation services. This amount would cover emergency rent assistance providers and mediation centers' administration, staff and outreach costs.
- Cap the total amount of rent relief available to a household at \$8,000 \$5,000 to cover arrears, plus six-monthly payments of \$500 to cover future rent.

Submitted on: 3/16/2023 3:12:45 PM Testimony for CPN on 3/17/2023 9:40:00 AM



Submitted By	Organization	<b>Testifier Position</b>	Testify
Signe Godfrey	Individual	Support	Written Testimony Only

Comments:

I am submitting my testimony in support of HB1439 as this bill establishes funds for a prelitigation mediation pilot program and supplementary rent relief program. And suggest amendments to strengthen the legislation. I am a mediator with the Mediation Center of the Pacific and I mediated many cases between the landlord and tenant. If not for financial support from the State or support to the landlords, many citizens would be homeless. We helped many many renters who are struggling to have a home. Working it out with the landlord and the tenant is very helpful to keeping renters in a home.

For these reasons, I support HB1439 HD2

Sincerely,

Signe Godfrey