

#### The Judiciary, State of Hawai'i

#### Testimony to the Thirty-Second Legislature, 2024 Regular Session

#### **Senate Committee on Ways and Means**

Senator Donovan M. Dela Cruz, Chair Senator Sharon Y. Moriwaki, Vice Chair

#### **Senate Committee on Judiciary**

Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

Thursday, February 22, 2024 at 9:46 a.m. State Capitol, Conference Room 211 & Videoconference

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

#### WRITTEN TESTIMONY ONLY

**Bill No. and Title:** Senate Bill No. 3332, S.D. 1, Relating to Eviction Mediation.

**Purpose:** Establishes an alternative process for the termination of the rental agreement that involves mediation. Requires the Governor to notify the Chief Justice, Legislature, and Revisor of Statutes wen the final wildfire proclamation will expire. Establishes an Emergency Rent Relief Program. Declares that the general fund expenditure ceiling is exceeded. Makes appropriations. Takes effect 7/1/2040. (SD1)

### **Judiciary's Position:**

The Hawai'i State Judiciary Center for Alternative Dispute Resolution is submitting testimony in support of Senate Bill No. 3332, S.D.1.

To protect Maui tenants who are struggling to pay rent, the Governor placed a moratorium on evictions. The moratorium will lapse, potentially causing numerous evictions in an already-vulnerable population. An early landlord-tenant mediation program through Senate Bill No. 3332,

Testimony to the Senate Committees on Ways and Means and the Senate Committee on Judiciary Senate Bill No. 3332, S.D. 1, Relating to Eviction Mediation Thursday, February 22, 2024, 9:46 a.m. Page 2

S.D. 1 would help both landlords and tenants avoid the eviction process with voluntary agreements between tenants and landlords.

Early mediation following a moratorium on evictions has already proven successful in Hawai'i. In 2021 following the lifting of the moratorium on evictions created during the pandemic, Act 57 was implemented. During the one-year period that the Act 57 early mediation program was in effect, 1,660 landlord-tenant cases involving past due rent were mediated statewide, with 1,415 or 85% reaching agreement and enabling more than 1,140 tenants and their families to remain in their residence. Senate Bill No. 3332, S.D. 1 is modeled after Act 57 and will enable landlords and tenants on Maui to negotiate payment plans, keep tenants housed, and avoid the eviction process.

Even after the rent relief expired, the Mediation Center of the Pacific ("MCP") continued with its pre-litigation mediation program. MCP reports it received 383 requests for early mediation, primarily from tenants. Not all of those requests were mediated because many landlords declined as they were not required to participate. Of the 383 requests, 119 tenants and landlords did mediate. Eighty mediations reached agreement. That's 67% – a strong rate of success even without rent relief.

We urge you to pass Senate Bill No. 3332, S.D. 1 to prevent unnecessary evictions on Maui when the moratorium on evictions ends.

Mahalo for the opportunity to testify on this important bill.



# WRITTEN TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA THIRTY-SECOND LEGISLATURE, 2024

#### ON THE FOLLOWING MEASURE:

S.B. NO. 3332, S.D. 1, RELATING TO EVICTION MEDIATION.

**BEFORE THE:** 

SENATE COMMITTEES ON WAYS AND MEANS AND ON JUDICIARY

**DATE:** Thursday, February 22, 2024 **TIME:** 9:46 a.m.

**LOCATION:** State Capitol, Room 211 and Videoconference

**TESTIFIER(S): WRITTEN TESTIMONY ONLY.** 

(For more information, contact Christopher T. Han, Deputy

Attorney General, at (808) 586-1180)

Chairs Dela Cruz and Rhoads and Members of the Committees:

The Department of the Attorney General has concerns about this bill and provides the following comments.

This bill (1) requires a mediation process prior to termination of a rental agreement for failure to pay rent after the eviction moratorium due to gubernatorial proclamation relating to wildfires is lifted; (2) establishes an emergency rent relief program available to participants in pre-litigation mediation to provide resources that will help tenants avoid eviction and maintain stable tenancies; and (3) appropriates funds for the Judiciary to contract for mediation services as provided by the bill.

Our Department has concerns regarding the proposed definition of the phrase "final eviction moratorium" set forth in subsection (I) of the new section to be added to chapter 521, Hawaii Revised Statutes. Flexibility to suspend and unsuspend laws as the emergency dictates is a hallmark of executive emergency response—allowing the Governor the discretion to balance how best to protect the public interest, particularly in an ongoing, extended emergency. The definition of "final eviction moratorium" does not and should not preclude the Governor from either issuing a new prohibition against evictions or reinstating a previously existing prohibition against evictions.

Given that an eviction moratorium could always be subsequently reinstated even if it had previously been allowed to lapse, the Department has concerns regarding when

Testimony of the Department of the Attorney General Thirty-Second Legislature, 2024 Page 2 of 2

and how an eviction moratorium can be deemed "final" with certainty. Nevertheless, to attempt to address this issue, we recommend amending the proposed definition in subection (I) on page 11, lines 8-19, as follows:

- "(I) For purposes of this section, "final eviction moratorium" means an emergency proclamation or supplementary proclamation, or any extension thereof, issued by the governor and relating to wildfires, that[:
  - (1) Does not include any prohibition related to evictions from a residential dwelling unit for failure to pay rent; or
  - (2) Includes a prohibition related to evictions from a residential dwelling unit for failure to pay rent, but is not subsequently reinstated, unsuspended, or followed by a supplemental proclamation or any extension thereof.]

prohibits any eviction from a residential dwelling for a failure to pay rent, and either is not renewed by the governor or, if renewed or extended, does not include any prohibition related to evictions from a residential dwelling unit for failure to pay rent; provided that nothing in this section shall prevent the governor from either reinstating or issuing a new emergency proclamation that contains a prohibition against eviction from a residential dwelling for failure to pay rent."

We also recommend two technical corrections to section 11, on page 16, lines 1 and 5, to change "section 3" to "section 2." The references on those lines to "the final eviction moratorium identified in section 3 of this Act," appear to be incorrect and should reference section 2 of this Act.

Thank you for the opportunity to offer comments.

# OFFICE OF ECONOMIC REVITALIZATION KE KE'ENA HO'OMOHALA WAIWAI CITY AND COUNTY OF HONOLULU

711 Kapi'olani Boulevard, FLOOR 12 • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-5764 • FAX: (808) 768-4242 • WEBSITE: revitalizeoahu.org

RICK BLANGIARDI MAYOR *MEIA* 



AMY ASSELBAYE EXECUTIVE DIRECTOR PO'O HO'OKŌ

KYMBERLY SPARLIN DEPUTY DIRECTOR HOPE PO'O

#### WEDNESDAY, FEBRUARY 21, 2024

#### STATE OF HAWAI'I SENATE COMMITTEE ON WAYS AND MEANS AND JUDICIARY

## TESTIMONY ON SENATE BILL 3332 A BILL RELATING TO PRE-LITIGATION MEDIATION AND RENT RELIEF

BY
AMY ASSELBAYE
EXECUTIVE DIRECTOR
OFFICE OF ECONOMIC REVITALIZATION

Dear Chairs Dela Cruz and Rhoads and Committee Members:

The Office of Economic Revitalization (OER) **strongly supports** SB3332 SD1, which establishes and funds a pre-litigation mediation and rent relief program.

OER has been managing the City's Rental and Utility Relief Program since 2021. It is clear that stable housing is the foundation of a diverse and equitable economy. Stable housing allows people to work good jobs, to start new businesses, and for families to stay together.

OER has worked closely with The Mediation Center of the Pacific. Their prelitigation mediation program for landlords and tenants has had a strong record of success both before and after the State of Hawai'i's eviction moratorium (Act 57). Coupled with the emergency rental relief assistance, over 20,000 O'ahu households have stayed in their homes.

It is evident that eviction mediation is most successful when paired with rent relief. Please pass SB 3332, to help prevent unnecessary evictions and keep our island residents housed. Mahalo for the opportunity to testify in support of Senate Bill 3332.

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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: Senate Committee on Ways and Means

& Senate Committee on Judiciary

Submitted by: Ku'ikahi Mediation Center

Hearing Date: Thursday, February 22, 2024 at 9:46 am

Hearing Place: Videoconference, Conference Room 211, State Capitol

#### RE: Strong Support of SB 3332 SD1, Relating to Eviction Mediation

Dear Chair Dela Cruz, Vice Chair Moriwaki, Chair Rhoads, Vice Chair Gabbard, and Members of the Committees:

As a local non-profit organization, we **strongly encourage you to support SB 3332 SD1**, which will establish a free landlord/tenant pre-litigation mediation diversion pilot program that will help avoid eviction and maintain stable tenancies on Maui, critical in the aftermath of the devastating Maui wildfires, especially once the Governor's Maui eviction moratorium expires.

Early mediation following an eviction moratorium has already proved successful in the State of Hawai'i. Because of the COVID pandemic, Hawai'i established a one-year Act 57 Landlord Tenant Eviction Mediation Program to slow the spread of COVID and prevent a "tsunami" of evictions. This program, combined with Emergency Rental Assistance Programs (ERAP), successfully kept tens of thousands of families across the state stably housed during the pandemic.

According to 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.

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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! 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.

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.

Pre-filing programs are more successful at connecting tenants with resources than downstream interventions. Eviction diversion aims to prevent evictions from reaching the courts and diverts existing cases away from formal legal proceedings in the hopes of reducing harm and increasing housing stability.

According to nationwide studies by the Harvard Dispute System Design Clinic, research shows that there is support for eviction diversion programs. Although most landlords have no experience with mediation, a majority of those surveyed agreed that it would "more efficient" than going to court. Despite lack of familiarity, nearly three-quarters of landlords surveyed were more inclined to resolve housing disputes with tenants outside of court.

Establishing a post-wildfire Maui landlord/tenant mediation diversion pilot program is crucial step to reduce the social and financial harm caused by evictions, which negatively affect both landlords and tenants. The goal of eviction diversion goes beyond finding immediate solutions for owners and renters, it is also about keeping people housed in a safe and stable way.

We strongly urge you to pass this legislation to prevent a "tsumani" of evictions in Maui, whose population has already suffered enough. Thank you for reading this testimony.

Mahalo,

Julie Mitchell
Executive Director

## Committees on Ways and Means and Judiciary Hearing Date: February 22, 2024

Submitted by The Mediation Center of the Pacific, Inc. SB 3332 SD1 - Relating to the Landlord-Tenant Code

Dear Senators Dela Cruz, Moriwaki, Rhoads, Gabbard, and Members of the Committees:

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT OF SB3332 SD1 which establishes and funds a pre-litigation mediation program.

More than 2,200 structures were burned to the ground in the Maui wildfires and left more than 7,000 people in need of shelter. A January 17, 2024, article in the Civil Beat highlighted that there is currently a heightened wave of housing insecurity on Maui, particularly for renters. The article stated, "What was already a tight and expensive market before the August wildfires has contracted further as lucrative rent subsidies, scarce inventory and high demand entice landlords to replace existing tenants with those willing to pay much more, according to interviews with housing advocates, renters and property managers". To protect tenants impacted by the wildfires and are struggling to pay rent, the Governor placed a moratorium on evictions. However, when that moratorium is lifted, there could potentially be hundreds of evictions resulting in displaced families who have already suffered, and possible homelessness. The creation of an early landlord-tenant mediation program through SB 3332 SD1 would help landlords and tenants avoid the eviction process and provide them with the opportunity to negotiate payments plans that keep tenants housed and pay the landlords the rent that is owed.

The opportunity for early mediation following a moratorium on evictions has already proven successful in Hawaii. In 2021 following the lifting of the moratorium on evictions created during the pandemic, Act 57 was implemented. During the one-year period that the Act 57 early mediation program was in effect, 1,660 landlord-tenant cases involving past due rent were mediated statewide, with 1,415 or 85% reaching agreement and enabling more than 1,140 tenants and their families to remain in their residence. SB 3332 SD1 is modeled after Act 57 and will enable landlords and tenants on Maui to negotiate payment plans, keep tenants housed, and avoid the eviction process.

Thousands of tenants, as well as landlords living on Maui have already suffered tremendous loss due to the wildfires. Experiencing an eviction will compound that loss and suffering. Employment of tenants and schooling of their children will be disrupted, leading to a loss of wages, negative health impacts, such as anxiety and depression, and impaired legal records, which will make it harder to find future housing. These added strains and consequences can be avoided through the early mediation program created under SB 3332 SD1 SD1.

We urge you to pass SB 3332 SD1 to prevent a flood of evictions on Maui when the moratorium on evictions ends.

Tracev S. Wiltgen

The Mediation Center of the Pacific, Inc.



February 22, 2024

#### The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means

#### The Honorable Karl Rhoads, Chair

Senate Committee on Judiciary State Capitol, Conference Room 211 & Videoconference

**RE: Senate Bill 3332 SD1, Relating to Eviction Mediation** 

HEARING: Thursday, February 22, 2024, at 9:46 a.m.

Aloha Chair Dela Cruz, 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® ("HAR"), the voice of real estate in Hawaii and its over 11,000 members. HAR provides **comments** on Senate Bill 3332 SD1, which establishes an alternative process for the termination of the rental agreement that involves mediation. Requires the Governor to notify the Chief Justice, Legislature, and Revisor of Statutes when the final wildfire proclamation will expire. Establishes an Emergency Rent Relief Program. Declares that the general fund expenditure ceiling is exceeded. Makes appropriations. Takes effect 7/1/2040.

We appreciate the intent of this measure and support peaceful and expeditious mediation coupled with rent relief to aid tenants that were affected by the wildfires. 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 after the Governor's proclamation relating to wildfires and eviction moratorium ends.

As such, HAR would respectfully recommend that this measure should also include rent relief to be paid directly to the housing provider to ensure that payments are not inadvertently lost or delayed ensuring the success of any proposed mediation process and help tenants avoid eviction.

HAR would also recommend that this measure require tenants to participate in mediation as well as landlords to avoid delays and encourage both parties to find resolution.

Mahalo for the opportunity to provide comments on this measure.





Testimony of the Hawai'i Appleseed Center for Law and Economic Justice Comments for S.B. 3332 – Relating to Eviction Mediation Senate Committees on Ways and Means and Judiciary Thursday, February 22, 2024, at 9:46AM, Conf. Rm. 211 and via Videoconference

Dear Chair Dela Cruz, Vice Chair Moriwaki, Chair Rhoads, Vice Chair Gabbard, and fellow committee members:

Thank you for the opportunity to express our support for the intent of this bill and offer our **COMMENTS on S.B. 3332**, which will establish a Maui specific pre-litigation mediation and rent relief program. We also offer suggested amendments to expand this legislation statewide as well as an appropriation request based on best function.

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. SB3332 attempts to recreate the lessons learned from these programs, which were so effective during the pandemic but falters without rent relief.

Even as the health threats of the pandemic subside, rent assistance remains a critical component to ensuring housing stability and preventing evictions. There are an estimated 2,500 evictions filed each year across the state. Evictions are harmful to our housing ecosystem and the landlords who rely on rent payments and consistent tenants. Evictions are especially harmful to the individual or family losing their home and in severe cases can lead to houselessness. The cost of eviction on individuals and households include, but is not limited to: interrupted employment and school leading to a loss of wages; negative health impacts, such as anxiety and depression, and; impaired legal records which make it harder to find future housing. We should not limit mediation and rent relief, since this program was widely successful when implemented statewide and should apply to all residents across the state.

Evictions create large public costs. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, a social justice-focused legal innovation lab housed at both Arizona Law and University of Utah School of Business, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care and juvenile detention. According to research by Hawai'i Appleseed Center, for every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

We understand the total appropriation for the judiciary to contract for mediation services is blank in the current draft as is the rent relief section, and we want to emphasize the importance of including sufficient amounts for the administration of the program to cover the "true costs" of the administering entities. Ideally, funding will also be included for the provision of navigator services that can assist tenants with finding ways to attain financial stability and rent relief to make the program stronger. Based

on our research of the pandemic rent relief and mediation programs, supported by the Urban Institute,<sup>1</sup> we make the following recommendations:

- Allocate sufficient resources for administration of the rent relief, mediation, outreach, navigation services and data collection, <u>totalling \$14.413 million</u> for each year of the program.
- We recommend dedicating at least \$11.25 million annually to provide direct rent relief to residents statewide. This amount could cover up to 2,250 households, out of the 2,500 that typically face eviction each year.
- 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 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.
- Provide the total amount of rent relief available to a household of \$8,000—up to \$5,000 for arrears plus \$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 to all residents. Please AMEND SB332 HD1 to expand the proposed mediation and rent relief services to all qualifying residents in the state, to help prevent evictions and keep our island residents housed.

Mahalo for the opportunity to testify.

<sup>&</sup>lt;sup>1</sup> Eviction Prevention Through Hawai'i's Tenant-Landlord Mediation Program, Hawai'i Appleseed, Oct. 2022 (available at <a href="https://hiappleseed.org/publications/eviction-prevention-mediation-hawai'i">https://hiappleseed.org/publications/eviction-prevention-mediation-hawai'i</a>).



#### CATHOLIC CHARITIES HAWAI'I

#### TESTIMONY IN SUPPORT OF SB 3332 SD1: RELATING TO EVICTION MEDIATION

TO: Senate Committees on Ways and Means, and Judiciary

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i Hearing: Thursday, 2/22/24; 9:46 AM; Room 211 and Videoconference

Chair Dela Cruz, Chair Rhoads, Vice Chair Morikawa, Vice Chair Gabbard, and Members, Committees on Ways and Means and Judiciary

Thank you for the opportunity to testify in support of **SB 3332 SD1**, which establishes a pre-litigation mediation process and an Emergency Rent Relief Program I am Rob Van Tassell, with Catholic Charities Hawai'i. **We deeply appreciate the addition of a rent-relief program to this measure to more effectively prevent evictions.** 

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 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, it 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 demonstrated that these programs can work to keep tenants housed.

Catholic Charities Hawai`i strongly supports the **rent-relief program as a vital component to the pre-litigation mediation process.** Both tenants and landlords must benefit from this process to enable tenants to remain in housing. The key for landlords is to get the rent due to them. Without the possibility of rent relief, this may just drag out the eviction process. This would add more stress and trauma for both tenants and landlords.

Hawai'i's people depend on all of us to continue to pay attention to the high personal and systems costs for eviction. 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 urges you to fund both mediation services and rent relief in this bill to make mediation truly effective and a win-win for both parties. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.







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 Ways and Means and on Judiciary

Re: SB 3332 SD1 – Relating to Eviction Mediation

Hawai'i State Capitol & Via Videoconference

February 22, 2024, 9:46 AM



Dear Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of SB 3332 SD1**. This bill establishes an alternative process for the termination of the rental agreement that involves mediation; requires the Governor to notify the Chief Justice, Legislature, and Revisor of Statutes when the final wildfire proclamation will expire; and establishes an Emergency Rent Relief Program.

About 117,000 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 39% of all children in our state, ranking Hawai'i a concerning 49<sup>th</sup> among the states for housing affordability.<sup>1</sup>

It is well established that housing instability has harmful effects on children's health and educational outcomes<sup>2</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>3</sup>

A program similar to the one proposed in this bill, which 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. We should build on that success and use the lessons learned to create a new mediation and rent relief program.

Hawai'i had a housing affordability and homelessness crisis long before the pandemic, and our families with keiki are still suffering the consequences of it. 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

<sup>&</sup>lt;sup>1</sup> https://assets.aecf.org/m/resourcedoc/aecf-2023kidscountdatabook-2023.pdf

<sup>&</sup>lt;sup>2</sup> https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes

<sup>&</sup>lt;sup>3</sup> https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty

<sup>&</sup>lt;sup>4</sup> <u>https://www.hawaiipublicradio.org/local-news/2022-10-19/report-mandatory-mediation-saved-hundreds-of-tenants-from-eviction</u>



### Submitted by Laurie Arial Tochiki SB3332 - Relating to Eviction Mediation

## I am writing to express my STRONG SUPPORT OF SB 3332, which protects extends a mediation process for Maui residents facing eviction

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.

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.

In response to the pandemic, and 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. 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 SB 3332 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.

In a one year period starting in 2021, 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. We will benefit from the continuation of this program. SB 3332 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.

This is an urgent problem affecting more than 2000 individuals and families in Hawai'i each year. Please PASS SB3332, to help prevent evictions and keep our Maui residents housed.

Mahalo, Laurie Arial Tochiki, JD, Ph.D





#### February 22, 2024

Members of the Senate Committee on Ways and Means:

Chair Donovan M. Dela Cruz Sen. Michelle N. Kidani Vice Sharon Y. Moriwaki Sen. Donna Mercado Kim

Sen. Henry J.C. Aquino Sen. Chris Lee

Sen. Lynn DeCoite Sen. Maile S.L. Shimabukuro

Sen. Troy N. Hashimoto Sen. Glenn Wakai Sen. Lorraine R. Inouye Sen. Kurt Fevella

Sen. Dru Mamo Kanuha

and Members of the Senate Committee on Judiciary:

Chair Karl Rhoads
Vice Chair Mike Gabbard

Sen. Brandon J.C. Elefante

Sen. Joy A. San Buenaventura

Sen. Brenton Awa

Re: SB3332 SD1 Relating to Eviction Mediation

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means and Chair Rhoads, Vice Chair Gabbard, and Members of the Senate Committee on Judiciary:

The Hawai'i State Coalition Against Domestic Violence (HSCADV) addresses the social, political, and economic impacts of domestic violence on individuals, families, and communities. We are a statewide partnership of domestic violence programs and shelters. On behalf of HSCADV and our 27 member programs statewide, I respectfully submit testimony in support of SB3332 SD1, which establishes and funds a pre-litigation mediation pilot program.

Survivors of domestic violence face many challenges when making decisions about their safety. One of the most crucial factors is housing. The ability to find safe and affordable housing is a key economic consideration for survivors when deciding to leave an abusive partner. It's important to recognize the impact of housing insecurity on survivors and to support them in any way possible. Domestic violence is a leading cause of homelessness. Nationwide, between 22 and 57% of all homeless women report that domestic violence was the



immediate cause of their homelessness.<sup>1</sup> Both the Oʻahu and Bridging the Gap (for the neighbor islands) Point in Time Count surveys saw an increased trend in the number of people who had experienced domestic violence. In the 2023 "Oʻahu Point in Time Count," domestic violence survivors accounted for 23% of all unsheltered surveyed adults. Survivors of domestic violence are vulnerable to unfair evictions due to the actions of their abusive partners.

The cost of eviction on individuals and households includes 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 further exacerbate the cases of homelessness which creates large public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care services. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs.

As a result of the COVID-19 pandemic and to mitigate the spread of the virus, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions. These programs combined kept over 13,000 families stably housed during the pandemic and were one of the most successful eviction-prevention programs in the nation. Having both tools available for landlords and tenants who went through mediation resulted in 87% of eviction cases settling, compared to the norm of 47%.

Thank you for the opportunity to testify on this important matter.

Sincerely,
Angelina Mercado, Executive Director

<sup>&</sup>lt;sup>1</sup> Wilder Research Center, Homelessness in Minnesota 2003 22 (2004); Center for Impact Research, Pathways to and from Homelessness: Women and Children in Chicago Shelters 3 (2004); Nat'l Center on Family Homelessness & Health Care for the Homeless Clinicians' Network, Social Supports for Homeless Mothers, 14 26 (2003); Inst. For Children & Poverty, The Hidden Migration: Why New York City Shelters Are Overflowing with Families (2004); Homes for the Homeless & Inst. For Children & Poverty, Ten Cities 1997-1998: A Snapshot of Family Homelessness Across America 3 (1998); Virginia Coalition for the Homeless, 1995 Shelter Provider Survey (1995)(out of print), cited in Nat'l Coalition for the Homeless, Domestic Violence and Homelessness: NCH Fact Sheet #8 (1999).

Submitted on: 2/20/2024 4:49:14 PM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

#### Comments:

Eviction mediation, when paired with adequate rent relief, is a proven strategy for preventing new cases of houselessness from occurring by keeping people housed. During the pandemic, the combination of mediation and rent relief funds prevented a spike in evictions. But as housing costs continue to rise and wages continue to remain chronically low (compared to our cost of living), people are still being priced out of their homes.

While this bill is a good step, in that it creates and funds a mediation program and adds some other safeguards, it lacks a corresponding rent relief fund.

Research shows that mediation is most successful when landlords know they will be able to be compensated for unpaid rent via emergency rent relief funds. When landlords do not have this assurance, they are much less likely to stick with mediation, accept its results, and refrain from filing eviction cases in court. This is key to stopping eviction from proceeding, because research also shows that once a landlord has filed in court, they are unlikely to accept any other outcome other than eviction.

Please add in a section that creates a permanent rent relief fund to be paired with the mediation pilot program. The fund does not need to be very large, but will ensure the pilot program succeeds at its optimal level. Mahalo.

Submitted on: 2/20/2024 11:07:12 PM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

Comments:

I respectfully submit testimony in support of SB3332 SD1.

Survivors of domestic violence face many challenges when making decisions about their safety. One of the most crucial factors is housing. The ability to find safe and affordable housing is a key economic consideration for survivors when deciding to leave an abusive partner. It's important to recognize the impact of housing insecurity on survivors and to support them in any way possible. Domestic violence is a leading cause of homelessness. Nationwide, between 22 and 57% of all homeless women report that domestic violence was the immediate cause of their homelessness. Both the Oʻahu and Bridging the Gap (for the neighbor islands) Point in Time Count surveys saw an increased trend in the number of people who had experienced domestic violence. In the 2023 "Oʻahu Point in Time Count," domestic violence survivors accounted for 23% of all unsheltered surveyed adults. Survivors of domestic violence are vulnerable to unfair evictions due to the actions of their abusive partners.

The cost of eviction on individuals and households includes 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 further exacerbate the cases of homelessness which creates large public costs. These costs result from the increased need for emergency shelters, inpatient care emergency rooms at hospitals, and foster care services. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs.

As a result of the COVID-19 pandemic and to mitigate the spread of the virus, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions. These programs combined kept over 13,000 families stably

housed during the pandemic and were one of the most successful eviction-prevention programs in the nation. Having both tools available for landlords and tenants who went through mediation resulted in 87% of eviction cases settling, compared to the norm of 47%.

Thank you for the opportunity to testify on this important matter.

<u>SB-3332-SD-1</u> Submitted on: 2/21/2024 8:21:45 AM

Testimony for WAM on 2/22/2024 9:46:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jessie L Gonsalves	Individual	Support	Written Testimony Only

#### Comments:

Eviction mediation and rent relief is needed to stop houselessness. Please pass this bill.



<u>SB-3332-SD-1</u> Submitted on: 2/21/2024 10:44:27 AM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

Comments:

support



Submitted on: 2/21/2024 11:18:00 AM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

#### Comments:

I respectfully submit testimony in support of SB3332 SD1.

Survivors of domestic violence face many challenges when making decisions about their safety. One of the most crucial factors is housing. The ability to find safe and affordable housing is a key economic consideration for survivors when deciding to leave an abusive partner. It's important to recognize the impact of housing insecurity on survivors and to support them in any way possible. Domestic violence is a leading cause of homelessness. Nationwide, between 22 and 57% of all homeless women report that domestic violence was the immediate cause of their homelessness (1). Both the O'ahu and Bridging the Gap (for the neighbor islands) Point in Time Count surveys saw an increased trend in the number of people who had experienced domestic violence. In the 2023 "O'ahu Point in Time Count," domestic violence survivors accounted for 23% of all unsheltered surveyed adults. Survivors of domestic violence are vulnerable to unfair evictions due to the actions of their abusive partners.

The cost of eviction on individuals and households includes 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 further exacerbate the cases of homelessness which creates large public costs. These costs result from the increased need for emergency shelters, in-patient care emergency rooms at hospitals, and foster care services. According to estimates provided by the "Eviction Cost Calculator", developed by Innovation for Justice, Hawai'i's estimated 2,500 annual evictions led to over \$30 million in public costs.

As a result of the COVID-19 pandemic and to mitigate the spread of the virus, Hawai'i established a temporary emergency rental assistance and landlord-tenant mediation program to prevent evictions. These programs combined kept over 13,000 families stably housed during the pandemic and were one of the most successful eviction-prevention programs in the nation.

(1) Wilder Research Center, Homelessness in Minnesota 2003 22 (2004); Center for Impact Research, Pathways to and from Homelessness: Women and Children in Chicago Shelters 3 (2004); Nat'l Center on Family Homelessness & Health Care for the Homeless Clinicians' Network, Social Supports for Homeless Mothers, 14 26 (2003); Inst. For Children & Poverty, The Hidden Migration: Why New York City Shelters Are Overflowing with Families (2004); Homes for the Homeless & Inst. For Children & Poverty, Ten Cities 1997-1998: A Snapshot of Family Homelessness Across America 3 (1998); Virginia Coalition for the Homeless, 1995

Shelter Provider Survey (1995)(out of print), cited in Nat'l Coalition for the Homeless, Domestic Violence and Homelessness: NCH Fact Sheet #8 (1999).



Submitted on: 2/21/2024 12:36:35 PM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

#### Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki and members of the Senate Committee on Ways and Means, and Chair Rhoads, Vice Chair Gabbard and members of the Senate Committee on Judiciary,

I SUPPORT SB3332 SD1. We have seen how this program, which needs to include rent relief in order to make it effective, has supported hundreds of Hawai'i's families in being able to remain housed and in preventing increases in homelessness during the pandemic. Our housing crisis has only been exacerbated in recent years and this program is proven to be a win-win solution for both renters and landlords.

Mahalo for your consideration.



Submitted on: 2/21/2024 4:01:14 PM

Testimony for WAM on 2/22/2024 9:46:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Rev. Samuel L Domingo	Individual	Support	Written Testimony Only

#### Comments:

Eviction mediation, when paired with adequate rent relief, is a proven strategy for preventing new cases of houselessness from occurring by keeping people housed. During the pandemic, the combination of mediation and rent relief funds prevented a spike in evictions. But as housing costs continue to rise and wages continue to remain chronically low (compared to our cost of living), people are still being priced out of their homes.

Research shows that mediation is most successful when landlords know they will be able to be compensated for unpaid rent via emergency rent relief funds. When landlords do not have this assurance, they are much less likely to stick with mediation, accept its results, and refrain from filing eviction cases in court. This is key to stopping eviction from proceeding, because research also shows that once a landlord has filed in court, they are unlikely to accept any other outcome other than eviction.

Please pass this bill forward with the corresponding rent relief program attached. Mahalo!

Submitted on: 2/21/2024 5:25:48 PM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

#### Comments:

Aloha. My name is Anne Leake and I reside in Kaneohe. Mediation can be an effective way of preventing evictions and is far more effective when paired with rent relief. Landlords are more likely to agree to mediation and abide by its recommendations if they know rent relief is available to cover any missing rent they may be owed while their tenant catches up.

Evictions harm everyone involved, including landlords, who miss out on rent, to the individual or family losing their home who, in the worst scenarios, may end up living unsheltered, and to the public. Hawai'i's estimated 2,500 annual evictions cost taxpayers over \$30 million each year. For every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services.

Ten states have implemented permanent rent relief and assistance programs, and Hawai'i should join them, while leading the way with its innovative mediation program. Mahalo.

Submitted on: 2/21/2024 6:22:37 PM

Testimony for WAM on 2/22/2024 9:46:00 AM

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

#### Comments:

I'm writingin strong support of this measure. Evictions harm everyone involved, including landlords, who miss out on rent, to the individual or family losing their home who, in the worst scenarios, may end up living unsheltered, and to the public. Hawai'i's estimated 2,500 annual evictions cost taxpayers over \$30 million each year. For every tax dollar spent on rental assistance and landlord-tenant mediation programs, the public saves six dollars on homeless services. Please pass!