



The Judiciary, State of Hawai‘i

Testimony to the Thirty-Third Legislature, 2025 Regular Session

Senate Committee on Commerce and Consumer Protection

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Tuesday, February 4, 2025 at 9:35 a.m.
State Capitol, House Conference Room 229 & Videoconference

By

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

WRITTEN TESTIMONY ONLY

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

Purpose: Beginning 2/5/2026, extends the period for a notice of termination of a rental agreement; requires landlords to engage in mediation and delay filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10-calendar-day notice to tenants. Repeals 2/4/2027. Appropriates moneys.

Judiciary's Position:

The Judiciary SUPPORTS this measure. When the COVID-19 pandemic began, thousands of evictions were predicted to overwhelm the court system. However, enacting and implementing Act 57, Session Laws of Hawai‘i 2021, helped prevent this crisis. Act 57 modified the notice requirements for residential summary possession cases, mandated pre-filing mediation, and made funding available for pre-filing mediation services and rent relief. As a result, 85 percent of the 1,660 cases mediated statewide under Act 57 settled without litigation. In the First Circuit, 85 percent of these settlements allowed tenants to remain in their homes, demonstrating the effectiveness of combining pre-filing mediation with rent relief to prevent evictions. Please refer to the Judiciary’s testimony of HB1439 (2023).



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

This success also occurred on a national scale, as shown by the National Center for State Courts (NCSC) Eviction Diversion Initiative. Launched in early 2021, the initiative has expanded to 24 state and local courts across 17 states, with the courts offering eviction diversion programs that include, among other services, pre-eviction mediation and assistance with applying for rental relief. Across these courts, 53 percent of tenants stayed in their homes when mediation or financial assistance was secured. In Clatsop County Circuit Court (Oregon), every mediated eviction case resulted in no eviction judgment. In Allen County Superior Court (Indiana), only 6 percent of filed summary possession cases proceeded to trial. In the Las Vegas Justice Court, social workers helped tenants apply for more than \$2 million in rental assistance, leading to the dismissal or denial of 78.5 percent of eviction cases.

The Judiciary suggests adding that mediation should take place within thirty (30) days, from the time that a mediation center has made contact with both the landlord and tenant.

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.

Committee on Consumer Protection & Commerce
Hearing Date: Tuesday, February 4, 2025

Submitted by The Mediation Center of the Pacific, Inc.
SB 825 - Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

The Mediation Center of the Pacific is submitting testimony in STRONG SUPPORT of SB 825, which establishes and funds a pre-litigation mediation pilot program.

Evictions are harmful for everyone involved. Landlords and tenants both want stability in housing arrangements. For landlords, the process of eviction and finding new tenants is costly. For tenants and their families, the costs are even higher: A forced move may mean the loss of their security deposit and belongings, a change in schools, a longer commute to work, and a negative mark on their rental history that can make finding suitable housing more difficult. For some tenants, eviction will result in homelessness.

Finding ways to resolve disputes between landlords and tenants and to increase housing stability benefits everyone. A pre-litigation mediation program supported by SB 825 will increase housing stability by encouraging tenants and landlords to work out agreements early, enabling the tenants to remain housed and providing the landlords with their rental income.

Pre-litigation mediation programs for landlords and tenants have a proven track record of success in Hawaii. In 2021, in response to the ending of the moratorium on evictions and the creation of Act 57, Hawai'i established a statewide early landlord-tenant mediation program to prevent evictions. Through the Program, in a one-year period, 1,660 landlord-tenant cases involving past due rent were mediated, with 1,415 or 85% reaching agreement and enabling more than 1,140 tenants to remain in their residence. Like the Act 57 Program, SB 825 will encourage landlords and tenants to start talking and negotiating agreements before going to court and will build a bridge towards creating a permanent early mediation program in the future.

While pairing early mediation with rental assistance is valuable as demonstrated by the Act 57 program, even when early mediation is not paired with rental assistance, mediating prior to filing an eviction process increases the likelihood of tenant and landlord reaching an agreement. Over the past two years, The Mediation Center of the Pacific mediated 96 early eviction cases, 86 or 90% of which resulted in final agreements between landlord and tenant when no rental assistance was available.

With Hawaii's high cost of living, the number of evictions remains high. Tenants fall behind and are too overwhelmed or ashamed to approach their landlord about the situation. When the amount of past due rent grows, landlords rely on the eviction process to remove the tenant and start over. A pre-litigation mediation program is needed to encourage tenants and landlords to talk early, before the tenant is so far behind, and a

payment plan isn't feasible. Through mediation, tenants and landlords can agree on payment plans that keep tenants in their residences or alternately, reach agreements that provide tenants with sufficient time to find an alternate location they can afford.

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. Establishing a pre-litigation landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions and help create housing stability for all.

Please PASS SB 825, to help prevent evictions and keep our island residents housed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tracey S. Wiltgen', with a small dot above the final letter.

Tracey S. Wiltgen Executive Director
The Mediation Center of the Pacific, Inc.

Committee on Consumer Protection & Commerce
Hearing Date: Tuesday, February 4, 2025

Submitted by Jamie L. Leavitt, Mediator
SB825 - Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

I am submitting testimony in strong support of SB 825, which establishes and funds a pre-litigation mediation pilot program.

I have been mediating Landlord Tenant Mediations for the last four year with The Mediation Center of the Pacific. I believe a pre-litigation mediation program supported by SB 825 will be beneficial to landlords and tenants. In my time mediating, I've noted most tenants are unaware of mediation and the benefits. Many are also unaware of the damage a court order eviction can do to them and their credit. A lot of smaller "mom and pop" landlords are also unaware of the mediation process and the benefits.

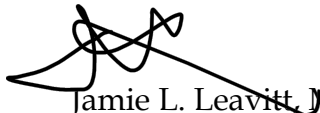
Recently, I had a landlord tell me they were open to a creative solution; this time of the year it is hard to find tenants. A vacant unit would only add to their current high vacancy rate. I have noticed many landlords would like to keep the tenant there, but at the end of the day payment(s) needed to be made. Mediation can and does offer the creativity of working out a repayment plan, while paying their current rent on time.

Tenants need a safe home, and for many keeping up with their rents in our current economy has been a challenge. Often times, I am seeing tenants embarrassed about their situation, so they avoid their landlord.

Mediation gives landlords and tenants a safe place to work out their rental payment issues and work together to come up with a mutual agreement.

Please PASS SB 825, to help prevent evictions and keep island residents housed.

Kindly,


Jamie L. Leavitt, Mediator

February 4, 2025

The Honorable Jarrett Keohokalole, Chair

Senate Committee on Commerce and Consumer Protection
State Capitol, Conference Room 229 & Videoconference

RE: Senate Bill 825, Relating to Eviction Mediation

HEARING: Tuesday, February 4, 2025, at 9:35 a.m.

Aloha Chair Kehokalole, Vice Chair Fukunaga, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on Senate Bill 825, which beginning 2/5/2026, extends the period for a notice of termination of a rental agreement; requires landlords to engage in mediation and delay filing an action for summary possession if a tenant schedules or attempts to schedule mediation; and requires landlords to provide specific information in the 10-calendar-day notice to tenants. Repeals 2/4/2027. Appropriates moneys.

We appreciate the intent of this measure and support peaceful and expeditious mediation coupled with rent relief to aid struggling tenants. During the COVID-19 pandemic when there was an eviction moratorium, Act 57 was passed to create a mediation process for housing providers and tenants to engage in. A large part of the success of the program was that emergency rent relief was available and it was often paid directly to the housing provider. This helped both tenants struggling to make their rent payments as well as housing providers who may have mortgage payments. **Without emergency rent relief, the mediation process alone may not help these tenants who are struggling to pay rent.**

We are also concerned that the proposed measure extends the notice period for unpaid rent from 5 business days to 10 calendar days. Additionally, there is no specific timeframe for completing the mediation. As such, HAR has concerns that this could lead to added delays. Extending the notice period without setting a timeframe for the mediation process to be completed could further prolong the process.

Mahalo for the opportunity to provide testimony on this measure.

February 2, 2025

LATE

To Chairs and members:

As an active mediator, who have handled many landlord tenant mediations, my experience gives me a good perspective on helping tenants. Many tenants encounter times when they are unable to make rental payments and instead of communicating with the landlord, they tend to “hope” they can get enough money to make rental payments, and tend to fall behind creating a bigger problem.

With this bill, we can help tenants, and landlords mediate sooner and have a plan to make rental payments thereby saving tenants from going homeless.

I strongly encourage all of you to pass this bill so we can help our community to communicate through mediations sooner which would be better for all concerned.

Respectfully submitted,

Signe Godfrey

Mediator with Mediation Center of the Pacific

SB-825

Submitted on: 1/31/2025 3:09:16 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Hasna Atry	Individual	Support	Written Testimony Only

Comments:

Please PASS SB 825, to help prevent evictions and keep our island residents housed.

Thank you kindly.

With Aloha,

Hasna

SB-825

Submitted on: 1/31/2025 4:26:36 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Jacobs	Individual	Support	Written Testimony Only

Comments:

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

I am submitting this written testimony in **STRONG SUPPORT** of SB 825, which establishes and funds a pre-litigation mediation pilot program.

As an attorney for the past 30 years, I know from professional experience that in many cases, especially where there are two individuals with a conflict, mediation is a more effective means in resolving many conflicts instead of litigation, such as eviction litigation, since with litigation, there are often higher financial and emotional costs to both parties if litigation is pursued without first seeing if the parties could talk and work things out and reach agreement and avoid having to litigate. A pre-litigation mediation program supported by SB 825 would encourage tenants and landlords to work out agreements early and avoid having to go through a litigious eviction process, which is better for the parties and also benefits our whole community with more housing stability.

Please PASS SB 825. Mahalo for your time and consideration.

Sincerely -

Lisa Jacobs, Esq.

Mediator and Collaborative Attorney, Better Way Divorce, also known as Pono Divorce

Chair, Alternative Dispute Resolution Section of the Hawai'i State Bar Association

Past President and Current Secretary, Conflict Resolution Alliance

Volunteer Mediator, Facilitator, Trainer, and Speaker, The Mediation Center of the Pacific, Inc.

Secretary, EPIC `Ohana, Inc.

SB-825

Submitted on: 2/1/2025 9:35:34 AM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Mimi Beams	Individual	Support	Written Testimony Only

Comments:

Submitted by: Mimi Beams

SB 825 - Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

I am a volunteer trained mediator with the Mediation Center of the Pacific submitting testimony in **STRONG SUPPORT** of SB 825, which establishes and funds a pre-litigation mediation pilot program.

We help to resolve disputes between landlords and tenants often providing housing stability which benefits everyone. A pre-litigation mediation program supported by SB 825 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. It works.

Please **PASS** SB 825, to help prevent evictions and keep our island residents housed.

Thank you,

Mimi Beams

SB-825

Submitted on: 2/1/2025 3:55:56 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Judi Bell	Individual	Support	Written Testimony Only

Comments:

Committee on Consumer Protection & Commerce

Hearing Date: Tuesday, February 4, 2025

Submitted by Judi Bell, Mediator.

SB 825 - Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

As a professional mediator who was hired for the ACT 57 mediation program, has volunteered for landlord tenant mediation after the eviction has been filed, and now does the Early Eviction Mediations, I am in **STRONG SUPPORT** of SB 825 which established and funds a pre-litigation mediation pilot program.

Mediating before parties get to court is a crucial distinction in the landlord tenant mediations. So much of mediating is the human-interest story of the situation. When people have the opportunity to mediate without the fear of court hanging over their heads, they are able to think more clearly which helps them make more rational decisions. When people make rational decisions *for themselves*, they are better able to move forward with the next steps. Whether that be to remain in the residence or to vacate it, they know they were in control and are able to say, “I made that choice”, and rather than feel like (or become) a victim, they have the opportunity to retain dignity and self-respect – something that is desperately lacking in the current eviction process.

One of the best things this bill can do for Hawaii is to give its people a voice! A voice of self-determination, confidence in their future, and a knowledge that they some control in a seemingly out-of-control situation.

LATE

SB-825

Submitted on: 2/2/2025 3:34:03 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Giuseppe Leone	Individual	Support	Written Testimony Only

Comments:

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

As a volunteer mediator for the Mediation Center of the Pacific since 1997, I've mediated hundreds of court-mandated residential landlord/tenant cases and observed the following.

Most landlords and tenants have a natural sense of fairness and, living of Hawaii, fully understand the connection between eviction and homelessness.

In my experience, many landlord/tenant disputes can be resolved quickly - often in under 90 minutes - when a neutral mediator helps both parties communicate calmly, clearly and respectfully.

In mediation, time is critical. The sooner landlords and tenants meet with a neutral mediator, the easier they can reach a mutually acceptable agreement that resolves their dispute and leaves both parties feeling positive and good about themselves.

For these reasons, I strongly support SB 825, which establishes and funds a pre-litigation mediation pilot program.

Terri O'Connell

2118 Halakau St., Honolulu, HI 96821
(808) 628-8943
terri@oconnell808.com

LATE

February 2, 2025

To: Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee on Commerce and Consumer Protection

From: Terri O'Connell

Date/Location: February 4, 2025; 9:35AM/ Conference Room 229 & Videoconference

Re: TESTIMONY IN FAVOR OF SB 825 - Relating to Eviction Mediation

As an attorney in Hawaii, I have performed pro bono work and have spoken with both tenants and landlords in the past regarding evictions. I found that evictions are difficult for everyone involved. Neither side "wins" when a landlord must go through the eviction process and then find a new tenant. And the tenant, when forced to move, may experience a loss of a security deposit, belongings, a longer commute to work, and an inability to find housing such that the tenant may become homeless. These create significant societal costs.

As a Board Member of The Mediation Center of the Pacific, I was so pleased to learn that in 2021, Hawai'i established a statewide early landlord-tenant mediation program to prevent evictions (through Act 57). In a one-year period, through that program, 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. More recently, over the past two years, The Mediation Center of the Pacific mediated 96 early eviction cases. Final agreements were reached in 86 cases (90% of cases!) between landlord and tenant when no rental assistance was available. These are incredible and demonstrable success rates and a win for both landlords and tenants.

Please PASS SB 825, to help prevent evictions and keep residents housed.

Sincerely,



Terri O'Connell, Esq.
Board Member, The Mediation Center of the Pacific, Inc.



GORDON M. ARAKAKI

Attorney at Law, LLLC
94-1176 Polinahe Place
Waipahu, Hawaii 96797
Cell: (808) 542-1542
E-mail: gordonarakaki@hawaiiantel.net

LATE

February 2, 2025

Hearing Date: Tuesday, February 4, 2025
Time: 9:35 AM
Place: Conference Room 229

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol A. Fukunaga, Vice Chair
Senate Committee on Commerce and Consumer Protection

Re: Testimony in Strong Support of SB 825 – Relating to Eviction Mediation
(Written Testimony Only)

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee on Commerce and Consumer Protection:

I am Gordon M. Arakaki, testifying as an individual¹ in ***strong support*** of SB 825, which would establish and fund a pre-litigation mediation pilot program.

Helping landlords and tenants resolve their disputes and increasing housing stability benefits everyone. The pre-litigation mediation pilot program proposed by SB 825 will increase housing stability by encouraging tenants and landlords to work out agreements early, enabling tenants to remain housed and providing landlords with their rental income.

As noted in SB 825 [at page 1, lines 7-16, describing the results of Act 57 (SLH 2021) (“Act 57”)] as well as The Mediation Center of the Pacific, pre-litigation mediation programs for landlords and tenants have a proven track record of success in Hawaii. The amendments to Hawaii’s Landlord-Tenant Code made by Act 57 have expired, so SB 825 seeks to recodify and implement the most effective provisions of Act 57. These provisions include:

- (1) Extending the notice of termination of rental agreement period from five to ten days;
- (2) Requiring all housing providers and tenants to participate in early mediation and prohibiting eviction actions if the tenant schedules or attempts to schedule a mediation;
- (3) Making each party responsible for its own attorney’s fees and costs for pre-litigation mediation while allowing landlords to recover such fees and costs if a tenant defaults on a mediated agreement; and

¹ As of August 2024, I am also a board member of The Mediation Center of the Pacific. However, I submit this testimony as an individual.

Testimony in Strong Support of SB 825 – Relating to Eviction Mediation

Senate Committee on Commerce and Consumer Protection

Hearing Date: Tuesday, February 2, 2025

Page 2

- (4) Requiring landlords to provide detailed specific information to tenants (including, among many other things, contact information, the amount of rent due, and a statutorily prescribed warning) in the ten-day notice of termination period, as well as providing such information to a mediation center that offers free mediation for residential landlord-tenant disputes.

SB 825 also provides funding for the pre-litigation mediation pilot program.

Thank you for your time and consideration of my testimony in *strong support* of SB 825. I respectfully urge you to pass this bill.

Sincerely,

Gordon M. Arakaki



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Testimony to the Senate Committee on Commerce & Consumer Protection
Tuesday, February 4, 2025, 9:35 a.m.
Conference Room 229 & Videoconference



RE: Support of SB 825, Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

As a local non-profit organization, **Ku'ikahi Mediation is submitting testimony to strongly support SB 825, which establishes and funds a pre-litigation mediation pilot program.** This bill promotes housing stability, prevents homelessness, and provides valuable resources to help both landlords and tenants avoid the high costs of eviction and maintain stable tenancies.

Because of the COVID pandemic, Hawai'i established a temporary Emergency Rental Assistance Program (ERAP) and a one-year Act 57 Landlord Tenant Eviction Mediation Program to slow the spread of COVID and prevent a "tsunami" of evictions. Combined, these two programs successfully kept tens of thousands of families across the state stably housed during the pandemic.

According to recent research by Hawai'i Applesseed 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 Applesseed Center, for every tax dollar spent on rental assistance and landlord/tenant mediation programs, the public saves six dollars on homeless services.

In the County of Hawai'i, Ku'ikahi Mediation Center (KMC) and West Hawai'i Mediation (WHMC), worked jointly on the Act 57 Statewide Landlord Tenant Eviction



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PROGRAMS & COMMUNICATIONS COORDINATOR
Shelby Morrison

Mediation Program during the period of August 7, 2021 to August 6, 2022. The legislature's passage of Act 57 was crucial to this program's success.

Of the 285 Act 57 landlord/tenant cases received via 15-day eviction notices by KMC and WHMC, 53% mediated. Of the cases that mediated, 79% were resolved and 21% were not resolved. Of the cases that did not mediate, 72% conciliated or settled prior to mediation (largely due to the receipt of rental assistance), 22% had tenants chose not to mediate, and 6% were closed for other reasons (e.g., unable to reach tenant). Thus, 76% of all 285 Act 57 landlord/tenant cases were successfully resolved, either through mediated agreements or conciliations and settlements prior to mediation.

Establishing a new statewide landlord/tenant mediation program is crucial step to reduce the social and financial harm caused by evictions, especially critical as our state (and nation) are facing an affordable housing crisis.

We strongly urge you to pass this legislation. Thank you for reading this testimony.

Mahalo,

Julie Mitchell
Executive Director

a partner agency of the



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

Bryant Galindo

Mediator

Committee on Commerce and Consumer Protection
Hawaii State Capitol
415 S Beretania St, Room 229
Honolulu, HI 96813

February 3, 2025

LATE

RE: Testimony in Strong Support of SB 825 – Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

I am writing in **strong support** of SB 825, which seeks to establish and fund a pre-litigation mediation pilot program for landlord-tenant disputes. As a mediator who has worked closely with The Mediation Center of the Pacific to assist landlords and tenants in resolving disputes, I have witnessed firsthand the positive impact that early mediation can have in preventing evictions and maintaining housing stability.

Evictions are costly and disruptive for all parties involved. For landlords, eviction proceedings can mean lost rental income, legal fees, and extended vacancies. For tenants, eviction can result in severe financial hardship, housing instability, and even homelessness. A forced move often leads to loss of security deposits, relocation challenges, and a negative rental history that makes securing future housing difficult.

A **pre-litigation mediation program**, as proposed by SB 825, provides an opportunity for tenants and landlords to address disputes before reaching the courtroom. Mediation encourages open communication, allowing tenants to work out feasible payment plans while ensuring landlords receive their owed rent. Programs like this have a proven track record of success in Hawai‘i. During the implementation of Act 57 in 2021, early mediation prevented evictions in 85% of cases, keeping over 1,140 tenants in their homes. I was one of the mediators that was hired to mediate the Landlord-Tenant complaints during Act 57. Even in cases where no rental assistance was available, early mediation led to successful agreements in 90% of cases handled by The Mediation Center of the Pacific – and I saw the firsthand, positive results that these agreements had on everyday Hawaiians.

Hawai‘i’s high cost of living and the continued financial strain on residents mean that eviction rates remain high. Many tenants fall behind on rent and are too overwhelmed to communicate with their landlords, leading to legal action as a last resort. By offering mediation before eviction filings occur, SB 825 would facilitate productive negotiations between landlords and tenants, reducing the likelihood of displacement and stabilizing communities.

Bryant Galindo

Mediator

Furthermore, evictions place a substantial financial burden on the state. According to the "Eviction Cost Calculator" developed by Innovation for Justice, Hawai'i's estimated 2,500 annual evictions generate over \$30 million in public costs due to increased reliance on emergency shelters, medical care, and social services. Establishing a pre-litigation mediation program is a cost-effective, proactive measure that benefits landlords, tenants, and the broader community.

I urge you to **PASS SB 825** to support housing stability, reduce unnecessary evictions, and foster a more resilient rental market. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryant Galindo". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Bryant Galindo
Mediator

LATE

Committee on Consumer Protection & Commerce
Hearing Date: Tuesday, February 4, 2025
Submitted by Poranee Sponsel
SB 825 - Relating to Eviction Mediation

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

As a volunteer mediator for The Mediation Center of the Pacific I can see how important this bill is for both tenants and landlords.

Evictions are harmful for everyone involved. Landlords and tenants both want stability in housing arrangements. For landlords, the process of eviction and finding new tenants is costly. For tenants and their families, the costs are even higher: A forced move may mean the loss of their security deposit and belongings, a change in schools, a longer commute to work, and a negative mark on their rental history that can make finding suitable housing more difficult. For some tenants, eviction will result in homelessness.

Through mediation landlords and tenants can find ways to resolve disputes between landlords and tenants and to increase housing stability benefits everyone. A pre-litigation mediation program supported by SB 825 will increase housing stability by encouraging tenants and landlords to work out agreements early, enabling the tenants to remain housed and providing the landlords with their rental income.

Pre-litigation mediation programs for landlords and tenants have a proven track record of success in Hawaii. In 2021, in response to the ending of the moratorium on evictions and the creation of Act 57, Hawai'i established a statewide early landlord-tenant mediation program to prevent evictions. Through the Program, in a one-year period, 1,660 landlord-tenant cases involving past due rent were mediated, with 1,415 or 85% reaching agreement and enabling more than 1,140 tenants to remain in their residence. Like the Act 57 Program, SB 825 will encourage landlords and tenants to start talking and negotiating agreements before going to court and will build a bridge towards creating a permanent early mediation program in the future.

While pairing early mediation with rental assistance is valuable as demonstrated by the Act 57 program, even when early mediation is not paired with rental assistance, mediating prior to filing an eviction process increases the likelihood of tenant and landlord reaching an agreement. Over the past two years, The Mediation Center of the Pacific mediated 96 early eviction cases, 86 or 90% of which resulted in final agreements between landlord and tenant when no rental assistance was available. With Hawaii's high cost of living, the number of evictions remains high. Tenants fall behind and are too overwhelmed or ashamed to approach their landlord about the situation. When the amount of past due rent grows, landlords rely on the eviction process to remove the tenant and start over. A pre-litigation mediation program is needed to encourage tenants and landlords to talk early, before the tenant is so far behind, and a payment plan isn't feasible. Through mediation, tenants and landlords can agree on payment plans that keep tenants in their residences or alternately, reach agreements that provide tenants with sufficient time to find an alternate location they can afford.

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. Establishing a pre-litigation landlord-tenant mediation program is a necessary step to reduce the social and financial harm caused by evictions and help create housing stability for all.

Kindly PASS SB 825, to help prevent evictions and keep our island residents housed.

Sincerely,

Poranee Sponsel, Ed.D

Volunteer Mediator for the Mediation Center of the Pacific