



Wednesday, May 18, 2022 | Today's Paper | 78°

HAWAII NEWS

Recipients reaching limits on assistance from Honolulu rent and utility program

By [Ashley Mizuo](#) · May 17, 2022

Honolulu Hale's efforts to distribute upward of \$225 million in pandemic-related federal funding through its Rental and Utility Relief Program have been underway for over a year — and recipients are now beginning to hit set limits for financial assistance.

Eligible households can receive up to \$2,500 monthly in relief funds and stay enrolled in the program for up to 18 months. So far, the city has reported that about 500 households have reached the cutoff point.

The city contracts with Catholic Charities Hawaii and the Council of Native Hawaiian Advancement to process applications and administer funds to landlords.

So far, the two nonprofits have provided more than 11,000 families with rent and utility relief, distributing about \$160 million. Some 87% of the recipients are at or below the 50% mark of Honolulu's area household median income, or \$60,400 a year for a family of four, while about 65% of those approved have incomes at or below 30% of the AMI, \$36,250 for a family of four.

With about \$63 million in remaining federal funds yet to be distributed, city officials note that the program has met all federal spending deadlines to date and has been recognized as among the best rent and utility relief programs in the country — even securing \$1.8 million in additional funds that the federal government had recouped from less effective programs.

But as the flow of federal dollars dries up, potential for more renter evictions and homelessness is a growing concern.

Months before the lifting of a state ban on renter evictions — imposed in April 2020 in response to economic struggles touched off by the COVID-19 pandemic — Hawaii's Legislature passed a bill, enacted as Act 57, that allotted cash-strapped tenants with time to catch up on overdue rent payments without threat of eviction.

In September, landlords could not evict their tenant unless they owed more than four months of back rent. Since then that grace period has steadily decreased. Now a renter can face eviction proceedings upon owing one month of back rent. At that time, under Act 57, a landlord can give the tenant a 15-day notice to leave the property. Previously, landlords could issue a five-day notice if a rent payment was even a day late.

Also, landlords are required under Act 57 to notify a mediation center before filing an eviction case in court. Mediation provides tenants and landlords with opportunity to negotiate payment or terms of the lease as a means to avoid eviction.

While this fledgling law has likely helped Honolulu and other parts of the state avoid a crush of courtroom eviction proceedings and a spike in the homeless population, it's slated to sunset Aug. 7 as state lawmakers did not extend it during this year's legislative session.

On Oahu, the Mediation Center of the Pacific saw a sharp increase in mediation cases in March, followed by drops in April and into early May.

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“Some tenants are maxing out on the amount of rental assistance they can receive. Whether it’s related to that, we’re not sure,” said Tracey Wiltgen, the center’s executive director. However, she added, in “a lot of the cases we’re mediating, we’re still connecting landlord and tenant with the rental assistance program” to start the application process.

Wiltgen said she’s concerned that as Act 57 winds down, people will be less interested in pursuing mediation, even though it’s often viewed as in the best interest of both the landlord and tenant. She cited a pre- pandemic study conducted by the Legal Aid Society of Hawaii that found 50% of tenants failed to show up for mediation. Under Act 57 the overall tenant no-show tally has dropped to 37%.

Pearl Sheck, a public- housing coordinator at Kokua Kalihi Valley Comprehensive Family Services, said her office is still getting one or two clients a week seeking funds for the first time. The time it takes to move through the process and secure rent and utility assistance from the city’s program varies but has generally shortened following some snags.

Back in February it would usually take KKV about one to two months to push a client’s application through a pre-screening portal before it was referred to either Catholic Charities or CNHA. From there it would take one to three weeks to complete the process and issue funding.

Since then the pre- screening portal has been scrapped, and clients are immediately referred to either Catholic Charities or CNHA.

Sheck said CNHA typically wraps up distribution within about a month. Meanwhile, she noted that among her clients referred to Catholic Charities, there are cases in which clients have been waiting for rental relief since February. The longer wait is due in part to Catholic Charities conducting its own pre-screening of applicants.

Jillian Okamoto, division administrator of Catholic Charities’ housing and homelessness programs, said delays are often tied to applicants missing email, phone calls or changing contact information. Payments are usually made in three- or six-month increments. Therefore, recipients need to update applications every three or six months with CNHA or Catholic Charities to continue receiving funds.

Eligible households can receive up to \$2,500 a month for outstanding rent and utility payments, up to \$2,000 for future rent payments and up to \$500 for future utility payments.

Okamoto said she’s now seeing an increase in requests for just utility relief, which could be a sign that people are recovering economically. “I think that they’re trying their best to cover their rent before their utility,” she said.

That bolsters optimism for “sustainability,” Okamoto said. “Maybe they’re 500 bucks short. So that gives us hope. ... It’s better than being \$3,000 short.”

Meanwhile, in cities elsewhere in the country, an upshot of dwindling federal money for rent and utilities relief programs — overseen by the U.S. Department of Treasury — is increasing eviction rates.

Fernando P. Cosio, an attorney at the Medical-Legal Partnership for Children, a collaboration between the University of Hawaii's William S. Richardson School of Law and the nonprofit KKV, pointed out that even a single eviction can deliver lasting to detrimental effects.

“A lot of people don't realize that if you have an eviction on your record, you're basically permanently barred from ever applying for any sort of public housing,” Cosio said.

“That's on your record, so any private landlord that will look at your background check, they're gonna see that and they're probably not going to feel too comfortable with extending a lease to you. ... That'll put someone in a situation where they remain unstable.”

In addition to stability fixes such securing higher-paying jobs, Cosio said renters could benefit from learning more about tenants' rights and financial literacy. CNHA, which offers financial literacy and counseling programs for homebuyers, is developing similar offerings for renters.

CNHA Director of Emergency Financial Assistance Kainalu Severson estimated that about half of its clients who have maxed out on allotted relief funding are ready to be financially independent.

“Some seem OK; others seem pretty dependent on the rental relief,” Severson said. “The reality is starting to hit them that they can't come back for additional direct rent relief funding. ... Hopefully, we can kind of put them in the right position, if they can't do so themselves.”

Jendrik Paul, president of the Marshallese Community Organization of Hawaii, is worried about what could happen once the rental assistance expires. Many renters in his community lost jobs — particularly in the service sector — and have been unable to fully recover their pre-pandemic employment status.

“We are looking towards trying to be proactive and tackle this problem, because I know when the rental relief runs out, there's gonna be a lot of evictions, because people ... were really dependent on that,” Paul said. “The rent assistance was a good program, but it was just a Band-Aid over the wound.”

At KKV, Michael Epp, the nonprofit's collaborative projects coordinator, said the path forward involves administration of a three-year grant from Aloha United Way, which will be used to provide immediate relief for funeral, unemployment and housing assistance, and future-focused opportunities.

“We want families to dream and think of how they can create economic sovereignty for themselves,” Epp said. “Whether it’s tuition scholarships, whether it’s ... small-business loans. The idea is that in year two of the project, we’re really going to be able to sit down with households” and help map their plans. He added, “We’ll also continue focusing on the public benefits as well.”

At the city level, the Rental and Utility Relief Program is moving forward with plans to start case management and referrals for services along with financial literacy training. Additionally, the city Office of Economic Revitalization is applying for more federal funds for the program.

When the city’s program launched in April 2021, applicants were required to prove hardship due to the pandemic. In February, due to rules established by the Federal Emergency Rental Assistance Program, eligibility was broadened to include renters who have suffered economic harm during the pandemic to include loss of income, loss of a job or reduced hours, and an increase in household costs — all incurred since mid-March 2020.

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