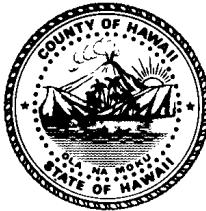


C. Kimo Alameda, Ph.D.
Mayor



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January 22, 2026

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means
State Senate
415 South Beretania Street, Room 208
Honolulu, HI 96813

The Honorable Chris T. Todd, Chair
and Members of the House Committee on Finance
House of Representatives
415 South Beretania Street, Room 306
Honolulu, HI 96813

Aloha Chair Dela Cruz, Chair Todd, and Members of the Committees:

Mahalo nui loa for your continued support of our County of Hawai'i projects benefiting both residents and visitors of Hawai'i Island. Your appropriations last session, particularly funding to fully staff Makalei Fire Station with three paramedics, will make a measurable difference in public safety and emergency response. Mahalo.

As you consider FY 2026-2027 priorities, we share results from our most recent community survey (28,000 residents reached; nearly 4,000 responses). The top concerns identified were:

- 1. Cost of living — especially homeownership and rental affordability.**
- 2. Traffic congestion — notably in higher-growth districts such as Puna; and**
- 3. Healthcare access — including facility infrastructure and quality of care.**

The County of Hawai'i had a very strong year, and we remain committed to public safety, parks and recreation, and expediting permits to accelerate private-sector housing production. We also recognize the importance of federal efforts to preserve safety-net programs critical to our residents (Medicare, Medicaid, SNAP, Section 8), and we know this is a concern to you as well.

Our state-level requests are targeted at areas where legislative partnership will have the greatest impact. The County of Hawai'i has the following requests generated from our mass survey:

Cost of Living

- Immediate Relief: Reinstate a state tax credit to support cesspool-to-septic conversions (or comparable alternatives). This targeted tax incentive is crucial because it will encourage timely conversions, safeguard nearshore waters from pollution, and reduce significant household expenses tied to required system upgrades.

- Long-Term Sustainability (Geothermal): Requesting a \$500,000 state match to Hawai'i County's \$500,000 for a \$1,000,000 RFP to advance geothermal exploration and project development. This matching state investment is important as it will attract capable developers, move proven resources toward permitting, and facilitate commercial use of renewable, locally sourced energy.

Healthcare Infrastructure

- North Kona Hospital: We unequivocally support immediate state and philanthropic funding to construct a new North Kona Hospital. The County is actively partnering with The Queen's Health System to deliver wastewater connections, water access, zoning change requests, and permitting assistance. Prompt state investment is essential to close a longstanding gap in healthcare access, guaranteeing critical infrastructure and care for West Hawai'i residents. Accordingly, we strongly endorse funding measures being introduced by members of our Hawai'i Island delegation.

Traffic Relief

- Puna District: Mahalo for funding the initial Puna Alternate Route study. Once the study is complete, we will seek state and federal funding for implementation. We look forward to partnering with the Legislature to pursue phased funding and prioritization in line with the study's final recommendations.

Non-Fiscal Requests (policy and coordination actions):

Banyan Drive Redevelopment

- Request transfer of management authority for the Banyan Drive Peninsula from the Department of Land and Natural Resources to the Hawai'i Community Development Authority (HCDA). Transferring management is necessary to enable a coordinated revitalization plan, which will better protect cultural values, strengthen the local economy, and improve amenities for residents and visitors.

Wastewater and Septic System Policy

- Request that the State prioritize shoreline and other high-risk areas in cesspool conversion efforts, with phased timelines: shoreline areas by 2050, priority two areas by 2060, and priority three areas by 2070. Prioritizing high-risk zones and clear timelines will protect public health and environmental quality. We also ask the Department of Health to establish approval pathways for alternative onsite wastewater technologies, where conventional systems are not feasible, to ensure residents have viable solutions.

Please note that our request to reinstate a septic conversion tax credit and our recommended adjustments to cesspool conversion timelines and technology pathways are included in the Hawai'i Conference of Mayor's Legislative Package and the County of Hawai'i's Legislative Package submitted last month.

On behalf of the residents of Hawai'i Island, mahalo nui loa for your collaboration and for considering these priorities. The County of Hawai'i remains committed to working with the Legislature and state agencies to refine requests, provide data, and identify actionable steps.

Mālama pono,



C. Kimo Alameda, Ph.D.
MAYOR