

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 3219
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred S.B. No. 3219 entitled:

"A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION,"

begs leave to report as follows:

The purpose of this measure is to propose constitutional amendments to expressly authorize the Legislature to allow political subdivisions, such as the counties, to issue housing infrastructure growth bonds and to exclude these bonds from determinations of the funded debt of the political subdivisions for specified public works, public improvements, or other actions necessary for new housing development.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; Office of Planning and Sustainable Development; Hawaii Housing Finance and Development Corporation; Hawai'i Community Development Authority; two members of the Maui County Council; Navian Hawaii; Hawai'i Association of REALTORS; NAIOP Hawaii; D.R. Horton Hawaii; Avalon Development Company LLC; Pacific Resource Partnership; Hawaii Regional Council of Carpenters; Housing Hawai'i's Future; Land Use Research Foundation; and one individual. Your Committee received comments on this measure from the Office of the Mayor of the City and County of Honolulu and Tax Foundation of Hawaii.



Your Committee finds that Hawaii continues to face a persistent shortage of housing, in large part because the infrastructure needed to support new development is underbuilt, outdated, or lacking entirely in many priority growth areas. Existing funding methods are fragmented, unpredictable, and insufficient, while major housing infrastructure needs continue to grow. Housing infrastructure growth bonds are a proven tool used in many other jurisdictions to help fund infrastructure projects needed for housing development. Your Committee believes that Hawaii has much to gain from these types of bonds that are necessary to allow future growth in real property tax revenues.

Your Committee further finds that the companion to this measure, H.B. No. 2476, H.D. 2 (Regular Session of 2026), was previously passed by the House.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 2476, H.D. 2, a measure that:
 - (A) Proposes constitutional amendments to expressly provide that the Legislature may authorize political subdivisions to issue housing infrastructure growth bonds for specified public works, public improvements, or other actions necessary for housing and community development, and exclude these bonds from determinations of the funded debt of the political subdivisions;
 - (B) Defines "community development" and
 - (C) Contains an effective date of July 1, 3000; and
- (2) Amending the ballot question.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3219, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on
behalf of the members of the
Committee on Housing,

LAE

LUKE A. EVSLIN, Chair



