

Josh Green, M.D.
Governor

Sylvia Luke
Lt. Governor

James Kunane Tokioka
DBEDT Director

Dane K. Wicker
DBEDT Deputy Director

Walter Thoenmes
Stadium Authority Chair

Michael R. Yadao
Stadium Authority Executive Director



Statement of
MICHAEL R. YADAO
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 25, 2026
10:56 AM
State Capitol, Conference Room 211

In consideration of
S.B. 3218, SD1
RELATING TO BONDS.

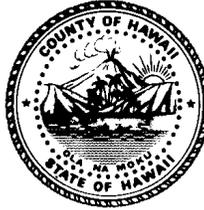
Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee.

The Stadium Authority supports Senate Bill 3218, SD1 which conforms county debt limit statements law to permit counties to exclude housing infrastructure growth bonds from the debt limit of the counties if a constitutional amendment authorizing the use of housing infrastructure growth bonds and excluding housing infrastructure growth bonds from determinations of the counties' funded debt is ratified.

Housing infrastructure is incredibly important and the growth bonds that facilitate that construction are an integral part of our Stadium Authority Development District and to all projected housing developments statewide. Increasing the counties' ability to issue those bonds can only lead to an increase in the state's housing inventory and make a significant contribution to our local construction economy.

Thank you for the opportunity to testify.

HEATHER L. KIMBALL
COUNCIL DISTRICT 1
(North Hilo, Hāmākuā, and portion of
Waimea)



Phone: (808) 961-8828
Fax: (808) 961-8912
Email: Heather.Kimball@hawaiicounty.gov

HAWAII COUNTY COUNCIL
25 Aupuni Street, Ste. 1402, Hilo, Hawai'i 96720

February 23, 2026

Senate Committee on Ways and Means
Honorable Senator Donovan M. Dela Cruz, Chair
Honorable Senator Sharon Y. Moriwaki, Vice Chair
Submission via online testimony only

RE: **Support of SB3218, S.D. 1**

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

As the sitting Council Member for Hawai'i County Council District 1, I thank you for the opportunity to submit testimony in SUPPORT of SB3218, S.D. 1, which would permit counties to exclude housing infrastructure growth bonds from funded debt calculations, contingent upon constitutional authorization.

This measure provides counties with an important and responsible financing tool to support critical infrastructure needed for housing development. On Hawai'i Island, infrastructure costs, including water, sewer, roads, and drainage, are among the greatest barriers to increasing housing supply, particularly in rural communities.

Allowing housing infrastructure growth bonds to be excluded from county debt limits would provide flexibility to invest in infrastructure that enables housing while preserving overall fiscal capacity for other essential public needs. This bill strengthens counties' ability to plan proactively, leverage funding responsibly, and support housing development that serves our residents.

S.B. 3218, S.D. 1, empowers counties with flexibility while maintaining transparency and sound financial oversight. It represents a thoughtful and practical step toward addressing Hawai'i's housing and infrastructure challenges.

For these reasons, I respectfully urge your support and passage of this measure. If you would like to discuss my knowledge of this matter further, please do not hesitate to contact me directly.

Sincerely,

HEATHER L. KIMBALL

HLK:dbk



HAWAII REGIONAL COUNCIL OF CARPENTERS

February 25, 2026

TO: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Members of the Senate Committee on Ways and Means

RE: TESTIMONY IN STRONG SUPPORT OF SB 3218 SD1

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Hawai'i Regional Council of Carpenters, representing over 6,000 skilled union carpenters and tradespeople across the islands, is grateful for the opportunity to submit our testimony in strong support of SB 3218 SD1.

Hawai'i's housing crisis cannot be solved without significant, sustained investment in the infrastructure that makes housing possible. Water systems, wastewater treatment, roads, drainage, and climate-resilient infrastructure are not optional. Without them, housing projects stall, costs rise, and homes that working families need never get built.

SB 3218 SD1 addresses a core structural problem: counties lack reliable, scalable tools to finance housing-enabling infrastructure. The current system of fragmented, project-by-project contributions and irregular capital appropriations is insufficient to meet the scale and timing of infrastructure needs identified across all counties, particularly in transit-oriented and priority growth areas.

This measure provides a responsible solution by authorizing housing infrastructure growth bonds, a value-capture tool that has been used successfully in other jurisdictions. Importantly, these bonds do not create a new tax or raise property tax rates. They allow counties to use a portion of the future growth in property tax revenues generated by new development to finance infrastructure needed today.

From a workforce perspective, this matters. When infrastructure is funded predictably, housing projects move forward. That means steady work for local tradespeople, stronger apprenticeship pipelines, and more opportunities to build homes for the very communities we live in.

SB 3218 SD1 also includes critical fiscal safeguards. The bonds are payable solely from incremental revenues generated within designated districts and are structured to protect county fiscal health. By clarifying constitutional authority and excluding these bonds from county debt limits when they are not backed by general funds, the bill provides certainty while preserving financial discipline.

STATE HEADQUARTERS & BUSINESS OFFICES

OAHU: 1311 Houghtailing Street, Honolulu Hawaii 96817-2712 • Ph. (808) 847-5761 Fax (808) 440-9188
HILO OFFICE: 525 Kilauea Avenue, Room 205, Hilo, Hawaii 96720-3050 • Ph. (808) 935-8575 Fax (808) 935-8576
KONA OFFICE: 75-126 Lunapule Road, Kailua-Kona, Hawaii 96740-2106 • Ph. (808) 329-7355 Fax (808) 326-9376
MAUI OFFICE: 330 Hookahi Street, Wailuku, Maui 96793-1449 • Ph. (808) 242-6891 Fax (808) 242-5961
KAUAI OFFICE: Kuhio Medical Ctr Bldg., 3-3295 Kuhio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911

In short, SB 3218 SD1 helps align infrastructure financing with housing production, supports job creation for local workers, and advances long-term housing affordability without shifting costs onto working families.

For these reasons, HRCC respectfully urges your support for SB 3218 SD1.

Mahalo for the opportunity to testify.

February 25, 2026

The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means
State Capitol, Conference Room 211 & Videoconference

RE: Senate Bill 3218, SD1, Relating to Bonds

HEARING: Wednesday, February 25, 2026, at 10:56 a.m.

Aloha Chair Dela Cruz, Vice Chair Moriwaki, 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 **strongly supports** Senate Bill 3218, SD1, which conforms state law concerning county debt limits to permit counties to exclude housing infrastructure growth bonds from the debt limit of the counties, if a constitutional amendment authorizing the use of housing infrastructure growth bonds and excluding housing infrastructure growth bonds from determinations of the counties' funded debt is ratified.

Hawaii continues to face a serious housing shortage and infrastructure remains one of the most significant barriers to housing production. Roads, water and sewer systems, drainage, and public amenities must be in place before homes can be built, yet existing state and county funding mechanisms are insufficient to meet the scale and timing of these needs. Even in strong budget years, traditional capital improvement funding and general obligation bonds cannot keep pace with housing demand.

Housing Infrastructure Growth Bonds ("HIG") offer a proven, fiscally responsible way to close this gap. HIG is a value-capture financing tool that has been used nationwide for decades and is now implemented in 48 out of 50 states. It allows counties to fund infrastructure upfront by using a portion of future property tax growth generated by new development within a defined area.

In practice, a county establishes a HIG district and sets a base assessed property value. As infrastructure investment enables development and increases property values, the incremental property tax revenue above that base is generated. That new revenue, which is revenue that would not exist without the infrastructure investment, is used to repay the bonds. Importantly, HIG does not create or increase taxes; it simply reallocates a portion of newly created tax revenue for a limited period. Once the bonds are paid off, all property tax revenue flows back to the county's general fund.

For the foregoing reasons, HAR strongly supports HIG as an important tool to invest in infrastructure, create much needed housing, and support our communities and make conforming amendments should the constitutional amendment be ratified. Mahalo for the opportunity to provide testimony on this measure.



Testimony of
Pacific Resource Partnership

Hawai'i State Senate Committee on Ways and Means (WAM)
Wednesday, February 25, 2026

Subject: Testimony in Strong Support of SB3218 HD1 relating to housing infrastructure growth bonds and debt limit of the counties.

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and esteemed members of the committee.

The Pacific Resource Partnership (PRP) unites over 6,000 skilled union carpenters, more than 250 dedicated signatory contractors, and a broad coalition of community partners across Hawai'i in our mission to foster responsible development, economic vitality, and housing solutions for local families. We respectfully submit this testimony in strong support of SB3218 HD1, which amends the Hawai'i Revised Statutes to align county debt limit statements with constitutional provisions, enabling counties to exclude housing infrastructure growth bonds from their debt limit calculations — provided a related constitutional amendment (SB3219) is ratified that authorizes such bonds and excludes them from funded debt determinations.

This measure builds on the framework established in companion legislation, providing the statutory clarity essential for counties to implement housing infrastructure growth bonds effectively. By updating definitions in sections 47C-1 through 47C-3 and requiring detailed annual and supplemental summaries of bonded indebtedness, SB3218 HD1 ensures transparency while facilitating innovative financing for critical infrastructure. These bonds, repaid through incremental property tax revenues from new developments, represent a form of value capture financing — a tool proven to unlock housing without straining general funds or existing taxpayers.

Recent studies highlight the substantial benefits of revenue capture financing and similar mechanisms for housing infrastructure. For instance, a 2025 report from the National Association of Realtors details how municipalities nationwide are leveraging value capture financing to fund affordable and workforce housing, transit improvements, and walkable downtowns, with examples like Muskegon, Michigan, where this type of financing has supported low- and middle-income residences amid rising demand. Similarly, Michigan's expansions of revenue capture financing laws since 2023 have enabled over \$800 million in investments and the creation of more than 3,000 housing units, focusing on infrastructure, safety, and affordable developments through programs like the Michigan State Housing Development Authority's Housing TIF initiative.



(Continued From Page 1)

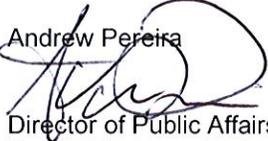
A 2022 analysis from County Health Rankings & Roadmaps further demonstrates that value capture districts can boost economic development, property values, and tax revenues while increasing affordable housing supply and improving neighborhood quality. Additionally, a 2024 study by CLA (CliftonLarsonAllen) emphasizes the role of this type of financing in enhancing tax bases, revitalizing blighted areas, and expanding affordable housing without tax hikes. These findings are aligned with PRP's own research showing that shifting upfront infrastructure costs (e.g., roads, sewers, water) from builders reduces home prices by 30% or more, making housing more accessible for working families.

Importantly, increment bonds do not count against counties' debt limits, as they are structured to be repaid solely from the captured revenue increments rather than general obligations. This approach is standard in many jurisdictions; for example, North Carolina's statutes explicitly exempt project development financing (a value capture variant) from net debt limitations, ensuring fiscal safeguards. Florida law allows value capture financing without impacting debt limits or financial stability, supporting redevelopment without added taxpayer burden. In South Carolina, value capture indebtedness is excluded from statutory limits, promoting benefits like blight removal and economic growth. Similarly, in Indiana and other states, increment bonds are not subject to constitutional debt caps, as they are non-recourse and backed by project-specific revenues.

By adopting this model, SB3218 HD1 fosters responsible growth, expands the tax base organically, and supports transit-oriented developments around systems like Honolulu's Skyline. Public sentiment echoes this need: PRP's recent Hawai'i Perspectives survey found 53% of residents statewide — and higher among younger groups — favor government-funded infrastructure to combat housing shortages. Revenue capture financing is a fiscally prudent step toward more homes, construction jobs, and community resilience without raising taxes on current residents.

PRP respectfully urges the Committee to pass this vital measure.

Andrew Pereira


Director of Public Affairs
Pacific Resource Partnership
1100 Alakea Street, 4th Floor
Honolulu, HI 96813
Phone: (808) 528-5557
Email: apereira@prp-hawaii.com
Website: www.prp-hawaii.com

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813

FAX: (808) 587-0600

Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

February 25, 2026 at 10:56 a.m.

State Capitol, Room 415

In consideration of

SENATE BILL 3218, SENATE DRAFT 1 RELATING TO BONDS.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

HHFDC **supports** Senate Bill 3218, Senate Draft 1, which amends the Hawaii Revised Statutes to align with a proposed constitutional amendment authorizing counties to issue Housing Infrastructure Growth Bonds and exclude these bonds from county debt limit calculations.

Infrastructure financing remains one of the most significant barriers to housing development in Hawaii. Counties often face debt ceiling constraints that prevent them from funding critical infrastructure, such as roads, water, sewer, and utilities, needed to unlock housing projects. This bill provides a statutory framework to operationalize the constitutional authority proposed in SB3219, ensuring counties can issue Housing Infrastructure Growth Bonds without jeopardizing their fiscal health.

By enabling counties to finance infrastructure through Housing Infrastructure Growth Bonds, this measure will accelerate housing production statewide. HHFDC estimates that removing infrastructure bottlenecks could unlock thousands of new homes over the next decade, particularly in transit-oriented development areas and other priority growth zones. This approach complements housing initiatives and leverages county participation in meeting our shared housing goals.

This bill ensures that counties maintain transparency and accountability through updated reporting requirements. Excluding Housing Infrastructure Growth Bonds from debt limit calculations does not eliminate oversight; it simply provides counties with flexibility to invest in infrastructure without crowding out other essential services.

Thank you for the opportunity to testify.



Queen's Court
800 Bethel Street, Suite 501
Honolulu HI 96813

Phone 808.587.7770
Fax 808.587.7769
www.avalonhi.com

TESTIMONY IN SUPPORT OF SB 3218: RELATING TO BONDS

DATE: Wednesday, February 25, 2026

TIME: 10:56 AM

PLACE: Conference Room 211 & Videoconference, State Capitol

COMMITTEE: Senate Committee on Ways and Means

Chair: Senator Donovan M. Dela Cruz

Vice Chair: Senator Sharon Y. Moriwaki

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Mahalo for the opportunity to submit testimony in strong **SUPPORT** of SB 3218, Relating to Bonds.

The Avalon Group is engaged in development projects throughout Hawai'i. From our experience, one of the most significant constraints on housing production is the availability and timing of financing needed to construct essential infrastructure. Critical improvements such as roads, drainage systems, and utilities must be completed before homes can be delivered. However, these infrastructure costs are typically required upfront, placing considerable strain on project feasibility and ultimately contributing to higher housing prices.

SB 3218 addresses this challenge by clarifying the statutory treatment of housing infrastructure growth bonds as a value-capture financing mechanism. By aligning infrastructure investment with the future tax base generated by new development, counties are provided with a practical tool to fund necessary improvements without relying solely on limited general obligation debt or shifting additional financial burdens to the early stages of a project.

Importantly, this approach does not raise taxes or increase existing tax rates. Instead, infrastructure costs are repaid over time using a portion of the new property tax revenues generated by development that would not occur without the initial infrastructure investment. Additionally, excluding these bonds from traditional debt limits preserves county borrowing capacity for other critical public priorities.

For the private sector, SB 3218 offers greater predictability and stronger coordination with public partners. Clear and dependable infrastructure financing mechanisms allow housing projects to proceed more efficiently, supporting increased housing supply and more attainable housing opportunities statewide.



Queen's Court
800 Bethel Street, Suite 501
Honolulu HI 96813

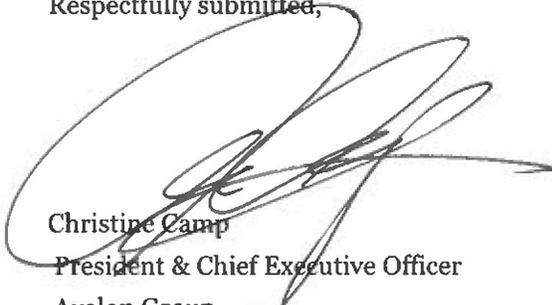
Phone 808.587.7770
Fax 808.587.7769
www.avalonhi.com

SB 3218 is a key implementation measure that aligns statute with the proposed constitutional authority for housing infrastructure growth bonds. Together, these measures provide counties with a flexible and fiscally responsible strategy to address long-standing infrastructure gaps that have delayed housing delivery, including in transit-oriented development areas and other priority growth regions.

For these reasons, the Avalon Group respectfully urges the Committee on Ways and Means to pass SB 3218.

Mahalo for your consideration.

Respectfully submitted,



Christine Camp
President & Chief Executive Officer
Avalon Group



February 23, 2026

Senator Donovan Dela Cruz
Senator Sharon Moriwaki
Members of the Senate Committee on Ways and Means
Thirty-Third Legislature, Regular Session of 2026

Hearing date: February 25, 2026, at 10:56 AM

RE: **SB 3218 – RELATING TO BONDS**

Aloha Chair Wakai, Vice Chair Chang and Members of the Committee,

Mahalo for the opportunity to submit testimony on behalf of D.R. Horton Hawaii in **SUPPORT** of SB 3218 – RELATING TO BONDS. D.R. Horton Hawaii is proud to be one of Hawaii's largest homebuilders, serving Hawaii's families for more than 52 years. We specialize in providing affordable housing and first-time homebuyer opportunities across the state and remain committed to addressing Hawaii's critical housing needs.

SB 3218 which conforms county debt limit statements law to permit counties to exclude housing infrastructure growth bonds from the debt limit of the counties if a constitutional amendment authorizing the use of housing infrastructure growth bonds and excluding housing infrastructure growth bonds from determinations of the counties' funded debt is ratified.

One of the greatest barriers to producing any type of housing, but especially affordable and workforce housing, is the extraordinary initial and long-term capital holding costs of financing both off-site and on-site required infrastructure such as roads, drainage, sewer, water, electrical and communications systems. In Hawaii, if financing is even available in the market, these substantial costs must be paid upfront by homebuilders with an extremely slow, long capital return, house by house. This long capital return ties up already scarce available financing, ultimately preventing reinvestment in new infrastructure projects and thus...new housing. Just as wall studs, kitchen cabinets and roofing material costs are all underwritten into the cost of housing, so too are the substantial initial and holding cost for infrastructure. If infrastructure financing is not available in the market, as is the case today, then fully entitled master planned communities get stalled...as is the case today.



Housing infrastructure growth bonds provide a practical and proven tool that most mainland jurisdictions have used for decades to align infrastructure delivery with housing production. By allowing counties to issue increment bonds secured by the future increase in property tax revenues generated by new development, these measures could shift infrastructure financing from an upfront cost passed on to homebuyers to a self-funding public mechanism tied directly to growth. This approach lowers the initial capital stack required to get infrastructure built, reduces long term interest risk and ultimately translates into lower costs, and thus, lower sales prices for Hawaii's homebuyers.

Equally important, these bonds do not raise existing tax rates or divert general fund resources away from essential public services. Instead, they allow dormant or underutilized parcels to generate the very revenue needed to support their own infrastructure, broadening the counties' long-term tax base without increasing the tax burden on current residents. Excluding these bonds from traditional funded debt limits recognizes that they are growth-driven financing tools rather than general obligation liabilities, thereby preserving county borrowing capacity for schools, parks, and other core needs. For homebuilders, this certainty and partnership with government can mean the difference between producing homes affordable to Hawaii's families or a stalled project that never gets out of the ground.

Finally, authorizing housing infrastructure growth bonds would unlock opportunities for thoughtfully planned communities as well as transit-oriented development neighborhoods throughout the state. Areas already zoned for housing, including those near rail stations and employment centers, frequently lack the infrastructure capacity to support additional housing units, even when market demand and zoning allow it. These bills would create a structured, accountable method to finance that capacity in advance, accelerating production and helping reduce the substantial housing shortfall. For homebuilders committed to building homes for Hawaii's families, SB 3218 and SB 3219 represent a common sense, fiscally responsible partnership that can lower costs, increase supply, and move the state meaningfully closer to our collective housing goals.

For these reasons, I strongly urge this committee to **PASS SB3218**.

Mahalo for your consideration,

Tracy S. Tonaki
President
D.R. Horton Hawaii

COUNTY COUNCIL

Mel Rapozo, Chair
KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
Felicia Cowden
Fern Holland
Arryl Kaneshiro



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188
Facsimile: (808) 241-6349
Email: cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 24, 2026

**TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 3218, SD 1, RELATING TO BONDS
Senate Committee on Ways and Means
Wednesday, February 25, 2026
10:56 a.m.
Conference Room 211
Via Videoconference**

Dear Chair Dela Cruz and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of SB 3218, SD 1, Relating to Bonds. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

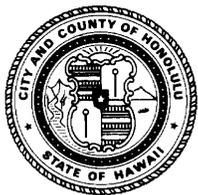
I am proud to support SB 3218, SD 1, which conforms county debt limit statements law to permit counties to exclude housing infrastructure growth bonds from the debt limit of the counties if a constitutional amendment authorizing the use of housing infrastructure growth bonds and excluding housing infrastructure growth bonds from determinations of the counties' funded debt is ratified. Housing Infrastructure Growth Bonds are a tried-and-true method to help keep pace with the growing housing demand by investing sustainedly in infrastructure. Additionally, these bonds are a value-capture financing tool, which does not create or increase taxation and that has been used across the U.S. for numerous years.

Thank you again for this opportunity to provide testimony in support of SB 3218, SD 1. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kaua'i County Council

RM:mn



HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

530 S. KING ST. STE. 202, HONOLULU, HI 96813

TOMMY WATERS
CHAIR & PRESIDING OFFICER
LUNA HO'OMALU
HONOLULU CITY COUNCIL
DISTRICT IV
TELEPHONE: (808) 768-5004
FAX: (808) 768-1220
EMAIL: tommy.waters@honolulu.gov

RE: SUPPORT FOR S.B. 3218, S.D. 1 — Housing Infrastructure Growth Bonds / County Debt Limit Statements

Aloha Chair and Members of the Committee,

I am writing to express my support for S.B. 3218, S.D. 1, which proposes an important update to our state law concerning county debt-limit statements. This bill would allow counties to exclude Housing Infrastructure Growth Bonds from funded-debt calculations, if voters approve a constitutional amendment authorizing their use.

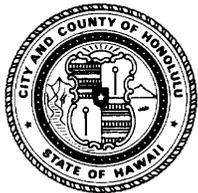
Honolulu, like many communities across Hawai'i, is grappling with a severe housing affordability crisis. The median home price on O'ahu hovers around \$1.1 million, and a significant number of renters are burdened, spending over 30% of their income on housing. This growing disparity between wages and housing costs puts immense pressure on working families and threatens our long-term economic stability.

In response, the Honolulu City Council has taken proactive steps to promote housing production and affordability. We have implemented various measures aimed at reducing regulatory barriers, streamlining development processes, and providing targeted incentives for affordable housing. While these reforms are essential, they alone cannot solve the problem.

One of the most significant obstacles to housing production remains the high costs and lengthy timelines associated with infrastructure. Without adequate roads, water, sewer, drainage, and utility capacity, housing projects can be delayed or rendered financially unviable, particularly those aimed at serving lower- and moderate-income households.

Housing Infrastructure Growth Bonds present a practical and fiscally responsible solution. By financing essential infrastructure upfront and recouping that investment through a portion of future incremental property tax revenues within designated areas, counties can better align growth with infrastructure needs.

S.B. 3218, S.D. 1 ensures that counties can effectively utilize this financing mechanism should voters grant their approval, without facing unintended limitations under current debt-limit accounting frameworks. This will bolster our long-term housing and infrastructure planning capabilities.



HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

530 S. KING ST. STE. 202, HONOLULU, HI 96813

TOMMY WATERS
CHAIR & PRESIDING OFFICER
LUNA HO'OMALU
HONOLULU CITY COUNCIL
DISTRICT IV
TELEPHONE: (808) 768-5004
FAX: (808) 768-1220
EMAIL: tommy.waters@honolulu.gov

For these reasons, I respectfully urge the Committee to pass S.B. 3218, S.D. 1, thereby enhancing Hawai'i's ability to deliver the infrastructure necessary to support more affordable homes for our residents.

Mahalo for your consideration.

Respectfully,

A handwritten signature in black ink that reads "Tommy Waters". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Tommy Waters
Chair, Honolulu City Council



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 25, 2026
10:56 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB 3218, SD 1
RELATING TO BONDS.

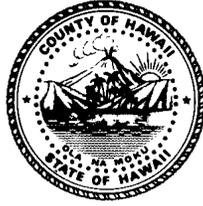
Chairperson Dela Cruz, Vice Chairperson Moriwaki, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports** SB 3218, SD1, which amends Chapter 47, *Hawaii Revised Statutes*, by updating county debt-limit reporting statutes to allow the exclusion of housing infrastructure growth bonds from county debt calculations and adds "housing infrastructure growth bonds" to the definition of "bonds", contingent upon ratification of the related constitutional amendment proposed in SB 3218, SD 1.

HCDA works closely with counties, state agencies, and private partners to advance housing and supporting infrastructure within designated community development districts and transit-oriented development area, pursuant to Chapter 206E, Part X, *Hawaii Revised Statutes*.

Aligning county debt-reporting practices with this value capture financing tool will support coordinated planning and investment in housing-related infrastructure essential to meeting Hawai'i's housing needs.

Thank you for the opportunity to provide testimony.

Jennifer Kagiwada
Council Member District 2 South Hilo



Office: (808) 961-8272
jennifer.kagiwada@hawaiicounty.gov

HAWAI‘I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai‘i 96720

DATE: February 24, 2026
TO: Senate Committee on Ways and Means
FROM: Jennifer Kagiwada, Council Member
Council District 2
SUBJECT: SB3218

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and esteemed Committee Members,

I am writing in **support** of SB 3218. We can all agree that despite all the work being done to create new housing opportunities we are still in an affordable housing deficit. This bill allows for more flexibility and authority to our Counties for creative funding mechanisms for affordable housing. The more we can create and utilize tools such as growth bonds and allow for revisions within our county debt reporting requirements the more we can support the necessary infrastructure to provide for additional affordable housing, which is badly needed for addressing housing concerns within Hawai‘i County. I am in support of providing additional tools to our Counties to address their unique infrastructure and funding needs in the pursuit of affordable housing for their communities.

Mahalo,

A handwritten signature in black ink, appearing to read 'Jenn Kagiwada', written over a white background.

Jenn Kagiwada

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Councilmembers
K. Kauano'e Batangan
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 24, 2026

TO: Honorable Donovan M. Dela Cruz, Chair, and
Members of the Senate Committee on Ways and Means

FROM: Nohelani U'u-Hodgins *Nohelani U'u-Hodgins*
Councilmember

DATE: Wednesday, February 25, 2026
10:56 a.m., Conference Room 211

SUBJECT: **TESTIMONY IN SUPPORT OF SB 3218, SD1, RELATING TO BONDS**

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to conform state law concerning county debt limits to permit counties to exclude housing infrastructure growth bonds from the debt limit of the counties, if a constitutional amendment authorizing the use of housing infrastructure growth bonds and excluding housing infrastructure growth bonds from determinations of the counties' funded debt is ratified.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

SB 3218, SD1, and its companion bill HB 2478, ensure that state law is properly aligned with the proposed constitutional amendments in HB 2476, providing counties with the clear legal authority and operational framework needed to implement housing infrastructure growth bonds. Without these statutory updates, even if voters approve the constitutional amendment, counties would encounter uncertainty or delays in putting this financing tool into practice. By establishing the necessary guidelines and structure in statute, SB 3218, SD1 enables counties to move forward confidently and efficiently in funding infrastructure that supports much-needed housing developments.

February 24, 2026

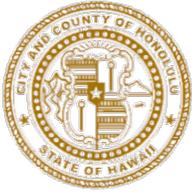
Page 2

SB 3218, SD1 helps strengthen transparency and fiscal accountability by requiring clear reporting and detailed disclosure of bonded indebtedness, while appropriately classifying these bonds to protect county financial stability.

Overall, the measure represents a prudent and responsible approach to financing infrastructure, supporting economic growth through construction activity and enabling the development of more affordable housing for Hawai'i's residents without increasing the tax burden.

For these reasons, I respectfully urge your support of SB 3218, SD1.

Mahalo for the opportunity to submit testimony in support of this measure.



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
530 S. KING ST. STE. 202, HONOLULU, HI 96813

TYLER DOS SANTOS-TAM
HONOLULU CITY COUNCIL
DISTRICT 6
TELEPHONE: (808) 768-5006
FAX: (808) 768-1176
EMAIL: tdossantos-tam@honolulu.gov

Wednesday, February 25, 2026

Senate Committee on Ways & Means
Wednesday, February, 10:26 AM
SB3218 SD1 Testimony in Support

Chair Dela Cruz, Vice Chair Moriwaki, & Members of the Senate Committee on Ways & Means:

My name is Councilmember Tyler Dos Santos-Tam, and I have the privilege of representing parts of Urban Honolulu from Kalihi Valley to Kaka'ako on the Honolulu City Council. I am submitting my **support** of **SB3218 SD1**, which amends the Hawai'i Revised Statutes to align with a proposed constitutional amendment authorizing counties to issue Housing Infrastructure Growth Bonds and to exclude these bonds from county debt limit calculations.

If approved, this bill along with the constitutional amendment would enable counties to utilize Housing Infrastructure Growth Bonds as a financing tool to accelerate housing development and help address the state's critical housing shortage. By allowing these bonds to be excluded from debt limit calculations, counties will have greater flexibility to invest in the infrastructure necessary to support new residential development.

Housing Infrastructure Growth Bonds, along with Tax Increment Financing (TIF), are place-based financing tools that can fund essential infrastructure improvements such as water, sewer, and roadway upgrades. These mechanisms help ensure that the cost of infrastructure is not borne entirely by developers—costs that are often passed on to homebuyers—nor shifted to taxpayers through higher general tax rates. Instead, they allow infrastructure investments to be supported by the increased property tax revenues generated by new development.

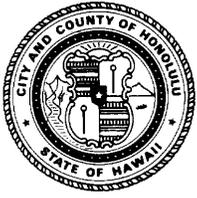
The City and County of Honolulu previously convened a Permitted Interaction Group to evaluate the feasibility of using TIF to accelerate Transit-Oriented Development (TOD) without overburdening existing infrastructure systems. Areas such as Iwilei and Kaka'ako demonstrate significant potential for this type of financing structure, where strategic infrastructure investment could unlock substantial housing opportunities, including more affordable units.

As a state, we must pursue innovative solutions to expand housing supply while protecting taxpayers and maintaining fiscal responsibility. This measure creates a viable and forward-thinking pathway to finance critical infrastructure and support much-needed housing development.

Mahalo for the opportunity to submit supportive testimony for **SB3218 SD1**.

A handwritten signature in black ink that reads "Tyler Dos Santos-Tam". The signature is fluid and cursive.

Tyler Dos Santos-Tam
Councilmember, District 6
Honolulu City Council



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
530 S. KING ST. STE. 202, HONOLULU, HI 96813

MATT WEYER
HONOLULU CITY COUNCIL
DISTRICT II
TELEPHONE: (808) 768-5002
FAX: (808) 768-1222
EMAIL: mweyer@honolulu.gov

February 25, 2026

TESTIMONY IN SUPPORT OF SB3218, SD1

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I write in **support** of SB3218, which would align state law with a proposed constitutional amendment authorizing Housing Infrastructure Growth Bonds. This measure ensures that if voters approve the amendment, counties will have a clear framework to exclude these bonds from debt limit calculations.

This bill would help to address a primary barrier to housing production: upfront infrastructure costs. Roads, sewers, and water systems are essential before homes can be built, yet these upfront costs represent a significant expense that is often passed on to homebuyers, pushing ownership out of reach for local families.

SB3218 enables a fiscally responsible alternative. Housing Infrastructure Growth Bonds allow counties to finance infrastructure using "value capture"—repaid solely through new property tax revenues generated by the development itself. These bonds do not rely on general funds or raise taxes on existing residents, making them appropriate to exclude from traditional debt limits.

The measure maintains transparency by requiring detailed reporting of bonded indebtedness. It also supports transit-oriented development around Honolulu's Skyline, where zoning allows for density but infrastructure lags.

SB3218 empowers counties with a proven financing tool without mandating its use. It respects home rule, strengthens fiscal flexibility, and supports efforts to increase housing supply responsibly. I respectfully urge the Committee to pass this bill.

Thank you for the opportunity to provide testimony.

Respectfully,

A handwritten signature in black ink, appearing to be "M. Weyer", written over a horizontal line.

Matt Weyer
Councilmember, District 2
Honolulu City Council