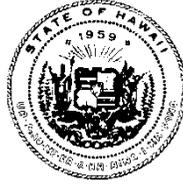


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

26:OED

Statement of the
Hawaii Public Housing Authority

Before the
House Committee on Housing

Wednesday, March 18, 2026
9:00 AM – Room 430, Hawaii State Capitol

In consideration of
SB 3218, SD2
RELATING TO BONDS

Honorable Chair Evslin, Vice Chair Miyake and Members of the House Committee on Housing:

The Hawaii Public Housing Authority (HPHA) strongly supports this measure 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.

SB 3218, SD2 is the implementing legislation for its companion measure SB 3219. While the latter creates the constitutional power for counties to issue Housing Infrastructure Growth Bonds outside of debt limits, SB 3218, SD2 codifies and provides statutory guidance to put that power into practice.

To speed up housing development, we have to fix how we fund infrastructure. This bill puts the State's housing strategy into motion by giving counties a new tool to unlock thousands of new homes, especially in Transit Oriented Development areas without the debt hitting their bottom line or risking their financial security.

Thank you for the opportunity to provide this testimony and for your continued commitment to Hawaii's housing needs.



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

HOUSE COMMITTEE ON HOUSING

Wednesday, March 18, 2026
09:00 AM
State Capitol, Conference Room 430

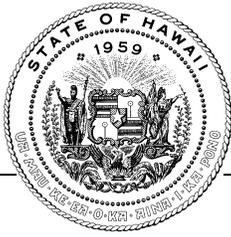
In consideration of
S.B. 3218, SD2
RELATING TO BONDS.

Chair Evslin, Vice Chair Miyake and members of the Committee.

The Stadium Authority supports Senate Bill 3218, SD2 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.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

Telephone: (808) 587-2846
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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON HOUSING
Wednesday, March 18, 2026, 9:00 AM
State Capitol, Conference Room 430

in consideration of
SB 3218, SD 2
RELATING TO BONDS.

Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing,

The Office of Planning and Sustainable Development (OPSD) **supports SB 3218, SD 2**, which proposes constitutional amendments to expressly provide that the Legislature may authorize political subdivisions, such as the counties, 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.

While OPSD supports SB 3218, SD 2, we **respectfully express our preference for the bill's companion measure, HB 2478, HD 1**. By explicitly authorizing counties to implement housing infrastructure growth bonds, **HB 2478, HD 1** empowers local governments to finance the essential infrastructure required to make housing projects viable.

SB 3218, SD 2, and HB 2478, HD 1, serve as the necessary enabling legislation to authorize the counties to implement housing infrastructure growth bonds. This measure is a critical companion to SB 3219, which proposes the constitutional amendments required to expressly provide that the Legislature may authorize political subdivisions to issue these bonds for public works and community development while excluding them from county debt limit determinations. By establishing the statutory framework for these bonds, SB 3218, SD 2 ensures the State is prepared to act once the corresponding constitutional amendment is ratified by the voters.

This measure addresses one of the most significant obstacles to housing production in Hawai'i: the lack of adequate infrastructure financing. Currently, the funding mechanisms available to our counties are insufficient to cover the substantial upfront costs of wastewater, water, transportation, and other improvements required for large-scale development. This "infrastructure gap" is particularly acute in Transit-Oriented Development (TOD) areas and other

priority growth centers that are otherwise ripe for housing but remain stalled due to a lack of core utility capacity.

This measure provides a critical solution by authorizing counties to issue Housing Infrastructure Growth (HIG) bonds. These bonds allow counties to fund and build essential infrastructure today, with the debt being serviced by the future increases in property tax revenue specifically generated by the new developments that the infrastructure made possible. Without the proposed constitutional amendments to authorize this tool, and subsequently this enabling legislation, many high-priority projects will remain unfunded. Consequently, existing infrastructure will continue to deteriorate over time, further stunting housing production and increasing the long-term cost of development for the State and the counties.

The implementation of HIG bonds aligns perfectly with the State's Housing Strategy and the TOD Council's Strategic Plan. These guiding documents emphasize the necessity of investing in infrastructure to accelerate housing production, particularly in areas that improve resident accessibility to transit, goods, and services. By passing this measure, the State will create a powerful new financing tool that requires no new taxes and no increase in current tax rates, instead leveraging the economic growth of the developments themselves to pay for the necessary foundations of our communities.

Thank you for the opportunity to testify in support of this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:
S.B. NO. 3218, S.D. 2, RELATING TO BONDS.

BEFORE THE:
HOUSE COMMITTEE ON HOUSING

DATE: Wednesday, March 18, 2026 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 430

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Ian Robertson, Deputy Attorney General

Chair Evslin and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments regarding this bill.

The stated purpose of this bill is to authorize counties to implement housing infrastructure growth bonds. The bill includes these bonds in a county's itemization of debts that may be excluded from the determination of a county's total funded debt.

This bill operates in conjunction with House Bill No. 2476 or Senate Bill No. 3219, which propose constitutional amendments to article VII, sections 12 and 13, to define housing infrastructure growth bonds, authorize their issuance by political subdivisions, such as the counties, and exclude them from county debt limit calculations.

If ratified, the constitutional amendments would create a new category of bonds that are payable solely from incremental real property tax revenues and that would be excluded from the constitutional funded debt limitation applicable to counties. This bill would authorize counties to implement those bonds and amend chapter 47C, Hawaii Revised Statutes, to incorporate them into the counties' funded debt calculations and reporting requirements.

We note, however, that this bill does not appear to establish a sufficient statutory process with standards or structural safeguards to enable counties to issue such bonds. Article VII, section 12, of the Hawai'i Constitution requires that the Legislature prescribe by general law the manner and procedure for the issuance of such bonds. As currently

drafted, the bill appears to lack a comprehensive procedural framework specific to this new bond category.

The establishment of a new category of public bonds is a significant fiscal and legal undertaking. Developing an appropriate statutory framework for issuing a new type of bond would require consultation with the Department of Budget and Finance, as well as qualified bond counsel, to ensure legal sufficiency, market viability, and appropriate fiscal safeguards. This level of technical development would require substantial work and specialized expertise.

The Department would be happy to work with the Committee and others to help develop the necessary statutory framework to enable counties to issue these bonds.

Thank you for the opportunity to testify.

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

HOUSE COMMITTEE ON HOUSING

March 18, 2026 at 9:00 a.m.

State Capitol, Room 430

In consideration of

SENATE BILL 3218, SENATE DRAFT 2 RELATING TO BONDS.

Chair Evslin, Vice Chair Mayake, and members of the Committee.

HHFDC **supports** Senate Bill 3218, Senate Draft 2, 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.



Testimony of the Hawai'i State Association of Counties

SB 3218 SD2 - Support

Relating to Bonds

Committee on Housing

Wednesday, March 18, 2026, 9:00 a.m.

On behalf of the Hawai'i State Association of Counties (HSAC), we respectfully submit testimony in **support** of **SB 3218 SD2**.

HSAC includes membership from the Counties of Hawai'i, Maui, Kaua'i, and the City and County of Honolulu. Our purpose is to provide a coordinated county voice on matters of statewide concern and to advance sound fiscal and intergovernmental policy in the best interests of Hawai'i's residents.

SB 3218 SD2 updates Chapter 47C, Hawai'i Revised Statutes, to conform to a proposed constitutional amendment that would authorize counties to issue Housing Infrastructure Growth Bonds and exclude those bonds from county funded debt calculations. The measure aligns existing statutes with Article VII, Section 13 of the Hawai'i State Constitution, contingent upon voter ratification of the constitutional amendment.

This bill does not require counties to issue bonds and does not appropriate state funds. Instead, it provides counties with an additional financing tool to address one of the primary barriers to housing production: infrastructure.

Infrastructure costs, including roads, sewer, drainage, water, and other public improvements, must be in place before housing can be delivered. These costs are substantial and frequently delay or limit projects, particularly in areas identified for growth and transit oriented development. Housing Infrastructure Growth Bonds would allow counties, if authorized by voters, to finance qualifying infrastructure tied directly to new development without affecting existing general obligation borrowing capacity.

The measure also preserves transparency and fiscal accountability. Counties will continue to prepare detailed annual debt summaries and supporting schedules. SB 3218 SD2 simply clarifies how these bonds would be treated in funded debt calculations if constitutionally authorized.

This proposal strengthens county fiscal flexibility, respects home rule authority, and supports coordinated state and county efforts to increase housing supply in a responsible manner.

For these reasons, HSAC respectfully urges the Committee to pass SB 3218 SD2.

Nahelani Parsons, Executive Director

Hawai'i State Association of Counties



March 18, 2026

House Committee on Housing
Rep. Luke Evslin, Chair
Rep. Tyson Miyake, Vice Chair

RE: SB3218 SD2, Relating to Bonds

Chair Evslin, Vice Chair Miyake, and members of the committee –

Navian Hawaii is a nonprofit organization supporting the needs of Hawai'i's aging population, including through hospice, palliative care, and integrated support services. We appreciate the opportunity to provide testimony **in support of** SB3218, Relating to Bonds. This bill would authorize the counties to implement housing infrastructure growth bonds and 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 is ratified.

Hawai'i is undergoing a major demographic shift, with a rapidly aging population that will have profound implications for our healthcare infrastructure. In 2023, over 21% of Hawai'i's residents were aged 65 and older – a proportion that has been increasing and is projected to reach one in four by 2035. The fastest-growing segment includes those over 80 years old.

Accordingly, Navian Hawaii is launching a community-based geriatric primary care service beginning 2026 across the State of Hawaii. The service will be built as a value-based care practice for Hawaii residents in assisted living facilities, adult residential care homes, and private homes.

For this model to succeed at scale, land use and housing policy must align with service delivery realities. Increased residential density - particularly in transit-oriented development (TOD) zones - makes home-based care more efficient and sustainable. When patients live in closer proximity to one another and near transit corridors, healthcare providers can reduce travel time, improve scheduling efficiency, and serve more individuals per day.

Denser, mixed-use neighborhoods also place seniors closer to public transportation, clinics, grocery stores, and social services, strengthening informal and formal support networks.

Housing infrastructure growth bonds would help counties unlock these neighborhoods. One of the primary barriers to realizing the full potential of TOD areas is the cost of roads, water and sewer upgrades, drainage, pedestrian improvements, and other public facilities required to support increased density. These bonds would help ensure adequate infrastructure can be built in advance of and alongside new housing.



This bill invests in TOD zones, addressing both Hawaii's housing and healthcare needs. It would facilitate the construction of more units - including those for kūpuna - while reinforcing a healthcare model centered on aging in place.

Thank you for the opportunity to submit testimony.

March 18, 2026

The Honorable Luke A. Evslin, Chair

House Committee on Housing
State Capitol, Conference Room 430 & Videoconference

RE: Senate Bill 3218, SD2, Relating to Bonds

HEARING: Wednesday, March 18, 2026, at 9:00 a.m.

Aloha Chair Evslin, Vice Chair Miyake, 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, SD2, 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. Effective 7/1/2050.

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 Legislature
Honorable Members of the House Committee on Housing (HSG)
Wednesday, March 18, 2026

Subject: Testimony in Strong Support of SB3218 SD1 relating to housing infrastructure growth bonds and debt limit of the counties.

Aloha Chair Evslin, Vice Chair Miyake, and esteemed members of the committee.

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 SD2, 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 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 SD2 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 and buildouts highlight the substantial benefits of value 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. In Michigan, 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



(Continued From Page 1)

developments through programs like the Michigan State Housing Development Authority's Housing TIF initiative. Recent projects include the MidVilla Flats in Middleville, where Tax Increment Financing supported a groundbreaking in late 2025 for attainable mixed-income housing, and Muskegon's Shaw Walker redevelopment, transforming a historic site into 552 condo and apartment units with \$163 million in private investment, aided by brownfield TIF. Similarly, Muskegon's Harbor 31 project, set for completion by 2029, is creating 154 new housing units and drawing \$110 million in capital through TIF-backed assessments and vapor mitigation.

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. In Kentucky, the Gateway on Broadway adaptive reuse project, opened in December 2025, used TIF alongside \$15.2 million in Low-Income Housing Tax Credit equity to deliver 116 affordable senior units in Frankfort, showcasing how value capture can repurpose historic buildings for community needs. 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.

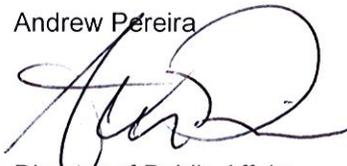
Importantly, increment bonds do not count against counties' debt limits, as they are structured to be repaid solely from the captured revenue increments rather than general obligations. This approach is standard in many jurisdictions; for example, North Carolina's statutes explicitly exempt project development 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 SD2 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



March 18, 2026

Representative Luke A. Evslin
Representative Tyson K. Miyake
Members of the House Committee on Housing
Thirty-Third Legislature, Regular Session of 2026

Hearing date: March 18, 2026, at 9:00 AM

RE: **SB 3218, SD2 – RELATING TO BONDS**

Aloha Chair Evslin, Vice Chair Miyake and Members of the Committee,

Mahalo for the opportunity to submit testimony on behalf of D.R. Horton Hawaii in **SUPPORT** of SB 3218, SD2 – 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, SD2 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, SD2.**

Mahalo for your consideration,

Tracy S. Tonaki
President
D.R. Horton Hawaii



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

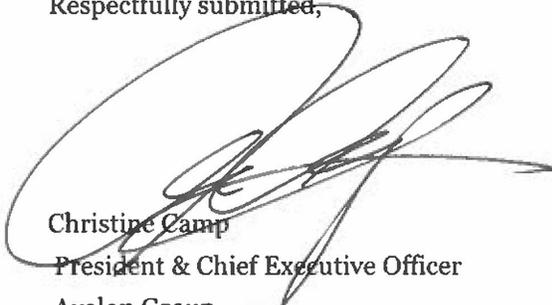
Phone 808.587.7770
Fax 808.587.7769
www.avalonhi.com

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



HAWAII REGIONAL COUNCIL OF CARPENTERS

March 16, 2026

TO: The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice Chair
Members of the House Committee on Housing

RE: TESTIMONY IN STRONG SUPPORT OF SB 3218 SD2

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

The Hawai'i Regional Council of Carpenters (HRCC), 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 SD2.

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 SD2 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 SD2 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 SD2 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 SD2.

Mahalo for the opportunity to testify.

March 18, 2026

TO: Chair Evslin and Members of the House Committee on Housing
RE: SB3218 SD2, Relating to Bonds

Dear Chair Evslin and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We strongly support Senate Bill 3218 SD2. This measure would authorize the counties to implement housing infrastructure growth bonds. It directly addresses a key barrier to housing development: the lack of sufficient infrastructure financing among our counties.

Allowing counties to issue growth bonds for housing infrastructure will provide a flexible and targeted financing tool that supports the development of roads, utilities, and other foundational improvements necessary for new housing opportunities. By further excluding these bonds from funded debt limits, the bill removes a financial constraint that often restricts counties' ability to invest in critical infrastructure.

While this financing authority has technically been authorized since the Ariyoshi administration, constitutional confusion has resulted in lost housing opportunities since that point. We need to make up for lost time.

Let's activate our infrastructure potential. **Let's advance Senate Bill 3218 SD2.**

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org



**HAWAI'I COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawai'i 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
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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
HOUSE COMMITTEE ON HOUSING

Wednesday, March 18, 2026
9:00 a.m.
State Capitol, Conference Room 430 & Videoconference

In consideration of
SB 3218, SD2
RELATING TO BONDS.

Chairperson Evslin, Vice Chairperson Miyake, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports** SB 3218, SD2, which conforms county debt-reporting laws to allow counties to exclude housing infrastructure growth bonds from their debt limits if the proposed constitutional amendment authorizing those bonds is ratified.

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, *Hawai'i Revised Statutes*. These partnerships are essential to delivering the infrastructure, such as utilities, transportation improvements, and public facilities, that enables housing development.

Housing infrastructure growth bonds represent an important value-capture financing tool that allows infrastructure to be funded through a portion of the future increase in property tax revenues generated by new development within a designated district. This approach can provide upfront capital for infrastructure without requiring new taxes or interfering with counties' traditional bonding capacity.

Aligning county debt-reporting practices with this financing mechanism will help ensure counties can fully utilize this tool if authorized by voters. Doing so will support

House Committee on Housing

March 18, 2026

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coordinated planning and investment in housing-related infrastructure, an essential component of increasing the housing supply and addressing Hawai'i's ongoing housing shortage.

Thank you for the opportunity to provide testimony.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 430
WEDNESDAY, MARCH 18, 2026 AT 9:00 A.M.**

To The Honorable Representative Luke A. Evslin, Chair
The Honorable Representative Tyson K. Miyake, Vice Chair
Members of the Committee on Housing

SUPPORT SB3218 SD2 RELATING TO BONDS

The Maui Chamber of Commerce supports SB3218 SD2, which proposes to enable counties to utilize housing infrastructure growth bonds without those bonds counting against county debt limits, contingent upon a constitutional amendment. This approach has the potential to unlock critical infrastructure investments that directly support housing development.

By allowing counties to exclude housing infrastructure growth bonds from debt limit calculations, the bill provides local governments with greater fiscal flexibility to fund essential infrastructure, such as roads, water, and sewer systems, that is necessary for new housing projects. For Hawai'i, where infrastructure costs are a major barrier to affordable housing and public-private partnerships are needed, this tool could help stimulate development and reduce delays.

We also note that the bill's structure, which requires a constitutional amendment, ensures that this significant fiscal policy change would be subject to public scrutiny and voter approval. This safeguard is important to maintain transparency and accountability in public finance decisions. At the same time, the bill supports the broader goal of "all tools in the toolbox" for addressing the state's housing shortage, a position we strongly support given the scale of unmet housing needs and rising construction costs.

We respectfully recommend that implementation guidance be developed in consultation with county governments and housing stakeholders to ensure the bonds are used efficiently and equitably for infrastructure projects that directly enable affordable and workforce housing.

Mahalo for the opportunity to provide testimony on SB3218 SD2.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-3218-SD-2

Submitted on: 3/16/2026 9:20:51 PM

Testimony for HSG on 3/18/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committeemembers,

SB3218 is paired well with SB3219 and it is imperative both proposals pass. We must sustainably finance the communities of tomorrow, and that means financing that is right for the future. I urge the committee to **SUPPORT** this proposal!

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Councilmembers
Kauanoë 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

March 17, 2026

TO: The Honorable Luke A. Evslin, Chair
House Committee on Housing

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF MARCH 18, 2026; TESTIMONY IN SUPPORT OF SB 3218, SD2, RELATING TO BONDS**

I support this measure to conform State law to permit counties to exclude housing infrastructure growth bonds from the counties' debt limits, if a constitutional amendment authorizing their use and excluding them 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.

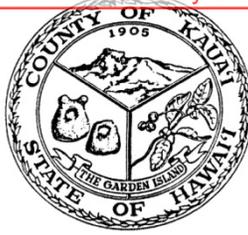
I support this measure for the following reasons:

1. If a proposed constitutional amendment authorizing the use of housing infrastructure growth bonds and excluding them from the counties' debt limits is ratified, State law governing county debt limits will need to be amended accordingly.
2. The proposed constitutional amendment would promote housing development in the State by providing counties with an optional financing tool to advance housing infrastructure development.
3. The measure would strengthen county fiscal flexibility, respect home rule authority, and support State and county efforts to responsibly increase housing supply.

Thank you for your consideration.

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
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Telephone: (808) 241-4188
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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

March 17, 2026

**TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 3218, SD 2, RELATING TO BONDS
House Committee on Housing
Wednesday, March 18, 2026
9:00 a.m.
Conference Room 430
Via Videoconference**

Dear Chair Evslin and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of SB 3218, SD 2, 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 2, 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 in a sustained manner in local infrastructure. Additionally, these bonds are a value-capture financing tool, which does not create or increase the rate of taxation and that has been used across the U.S. for many years. This measure proactively conforms existing statutes should the proposed constitutional amendments be ratified.

Thank you again for this opportunity to provide testimony in support of SB 3218, SD 2. 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:sf