

**STATE OF HAWAI'I
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON FINANCE
Thursday, April 2, 2026, 2:00 PM
State Capitol, Conference Room 308

in consideration of
SB 3219, HD 2
**RELATING TO PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND
13, OF THE HAWAII STATE CONSTITUTION.**

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **supports SB 3219, HD 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.

SB 3219, HD 2 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, 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.

SB 3219, HD 2 - RELATING TO PROPOSING AMENDMENTS TO ARTICLE VII,
SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION - SUPPORT
State Office of Planning and Sustainable Development
April 2, 2026

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.

**OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
MAYOR
MEIA



MICHAEL D. FORMBY
MANAGING DIRECTOR
PO'O HO'OKELE

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

March 31, 2026

The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Todd, Vice-Chair Takenouchi, and Committee Members:

SUBJECT: Comments on Senate Bill 3219, HD2 Proposing amendments to Article VII, Sections 12 and 13, of The Hawaii State Constitution

The City and County of Honolulu ("City") respectfully submits **comments** to Senate Bill 3219 HD2. This bill proposes to amendment to article VII, sections 12 and 13, of the Hawaii State Constitution to:

- (1) Expressly authorize the legislature to empower the counties and other political subdivisions of the State to issue housing infrastructure growth bonds, a form of financing payable solely from incremental real property tax revenues generated within designated districts;
- (2) Clarify that these bonds are payable solely from those incremental real property tax revenues and need not be supported by countywide tax increases; and
- (3) Exclude such bonds from county debt limit calculations to the extent they are in fact repaid from those incremental revenues.

The City has reviewed the language of SB3219 HD2 with their bond counsel and with the understanding that the proposed constitutional amendment would authorize the Counties to issue housing infrastructure growth bonds within a designated district, the City supports the proposed language subject to further discussion and details as this matter may be further revised during the deliberative process.

The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
March 31, 2026
Page 2

If you have any questions, please feel free to contact me at
anthony.miranda@honolulu.gov or (808) 768-6608.

Sincerely,



Anthony Miranda
Legislative Liaison
City and County of Honolulu

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

April 1, 2026

TO: Honorable Chris Todd, Chair, and
Members of the House Committee on Finance

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

DATE: Thursday, April 2, 2026
2:00 p.m., Conference Room 308

SUBJECT: **TESTIMONY IN SUPPORT OF SB 3219, HD2, PROPOSING
AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE
HAWAI‘I STATE CONSTITUTION**

Thank you for the opportunity to submit testimony in support of this measure. The purpose of this measure is to propose 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.

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.

Hawai‘i continues to face a severe housing shortage, driven in large part by the high cost and lack of necessary infrastructure to support new housing development. This measure provides counties with an innovative and practical financing tool to address that gap by allowing investment in critical infrastructure such as water, wastewater, roads, and drainage systems—without increasing, or creating new, property tax rates.

By leveraging future increases in property tax revenues generated within designated districts, housing infrastructure growth bonds enable counties to fund infrastructure

April 1, 2026
Page 2

upfront while ensuring that new development helps pay for the improvements it requires. Just as importantly, excluding these bonds from county debt limits preserves fiscal flexibility and protects overall financial health.

This approach has been successfully utilized in other jurisdictions and represents a forward-thinking solution tailored to Hawai'i's unique challenges. It aligns infrastructure funding with housing production, supports transit-oriented development, and helps create more opportunities for local residents to access affordable housing.

For these reasons, I respectfully urge your support of SB 3219, HD2.

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

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

REIKO MATSUYAMA, MANAGING DIRECTOR



Testimony of Derek S.K. Kawakami

Mayor, County of Kaua'i

Before the

Committee on Finance

April 2, 2026; 2:00 PM

Conference Room 308 & Videoconference

In consideration of

Senate Bill 3219 HD2

Proposing Amendments to Article VII, Sections 12 and 13, of the Hawai'i State Constitution

Honorable Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

I write in **support** for SB 3219 HD2 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.

SB 3219 HD2 proposes three targeted amendments to the Hawai'i Constitution:

- It adds a constitutional definition of "housing infrastructure growth bonds" in Article VII, Section 12, establishing in the Constitution itself that these bonds are payable solely from incremental real property tax revenues within a designated district rather than from countywide tax increases.
- It expressly authorizes the Legislature by general law to empower counties and other political subdivisions to issue HIG Bonds, establishing a clear constitutional basis for the enabling legislation provided by the companion bill, SB 3218 SD2 HD1.
- It amends Article VII, Section 13, to add HIG Bonds as a new exclusion from the funded debt limit of political subdivisions thereby protecting each county's bonding capacity for essential services while still enabling robust investment in housing-enabling infrastructure.

SB 3219 HD2 is the necessary first step in a two-part legislative package to give Hawai'i's counties a powerful, self-financing tool to build the infrastructure that housing production requires. It is grounded in the Legislature's own commissioned research, carefully designed to protect fiscal health, and structured to let voters decide.

Thank you for the opportunity to testify in **support** of SB 3219 HD2.

Council Chair
Alice L. Lee



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

Vice-Chair
Yuki Lei K. Sugimura

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

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

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

April 1, 2026

TO: Honorable Chris Todd, Chair, and
Members of the House Committee on Finance

FROM: Thomas Cook
Councilmember

A handwritten signature in blue ink, appearing to read "Thomas Cook".

DATE: Thursday, April 2, 2026
2:00 p.m., Conference Room 308

SUBJECT: **TESTIMONY IN SUPPORT OF SB3219 HD2 – PROPOSING
AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF
THE HAWAII STATE CONSTITUTION**

Thank you for the opportunity to testify in **strong support of SB3219 HD2**, proposing amendments to Article VII, Sections 12 and 13, of the Hawaii State Constitution. The measure would authorize the legislature to empower counties to issue housing infrastructure bonds and exclude those bonds from county debt limit calculations.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am testifying in my capacity as an individual member of the Maui County Council and as Chair of its Water & Infrastructure Committee.

I support this measure for the following reasons:

1. Authorizing counties to issue housing infrastructure growth bonds would provide a practical financing tool to fund critical infrastructure by leveraging a portion of future property tax revenue growth within designated areas. This approach allows counties to invest in needed improvements without raising taxes, increasing rates, or constraining existing debt capacity for other essential public services.

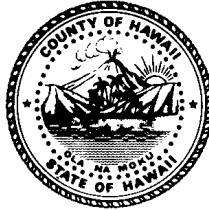
Members of the House Committee on Finance
SB3219 HD2
April 1, 2026
Page 2

2. This proposed constitutional amendment would help accelerate housing production by equipping counties with an additional, optional mechanism to finance the infrastructure necessary to support new residential and community development.
3. The measure enhances county fiscal flexibility while maintaining long-term economic stability. It respects home rule authority and aligns with broader State and county efforts to expand housing supply responsibly and sustainably.

For the foregoing reasons, I respectfully urge the House Committee on Finance to pass SB3219 HD2.

Mahalo for the opportunity to testify. If you have questions relating to this testimony, please contact my office by e-mail at Thomas.Cook@mauicounty.us or by phone at (808) 270-7108.

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



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

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

April 1, 2026

House Committee on Finance
Honorable Representative Chris Todd, Chair
Honorable Senator Jenna Takenouchi, Vice Chair
Submission via online testimony only

RE: **Support of SB3219, HD2**

Dear Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

As the sitting Council Member for Hawai'i County Council District 1, I write in **SUPPORT of SB3219, HD2**, which authorizes counties to issue housing infrastructure growth bonds to fund critical public improvements that support housing and community development.

This measure provides counties with a responsible financing tool to address infrastructure gaps, including for water, wastewater, roads and drainage, that often delay or prevent housing projects. These bonds are repaid through future increases in real property tax revenues within designated districts, without raising tax rates, allowing growth to help fund the infrastructure it requires.

On Hawai'i Island, infrastructure costs remain one of the most significant barriers to increasing housing supply, particularly in rural communities. Expanding infrastructure capacity is essential not only to increase housing inventory, but also to make housing more attainable for local families and our workforce.

Allowing these bonds to be excluded from county debt limits provides important flexibility while preserving overall fiscal capacity for other public priorities. This measure strengthens counties' ability to plan proactively, leverage resources effectively, and advance housing solutions that serve our residents.

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.

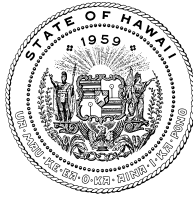
Sincerely,

A handwritten signature in cursive script that reads 'Heather Kimball'.

HEATHER L. KIMBALL

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 FINANCE

April 02, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

SENATE BILL 3219 HOUSE DRAFT 2

PROPOSING AMENDMENTS TO

ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION.

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** SB3219, HD2, which proposes constitutional amendments to authorize counties to issue Housing Infrastructure Growth Bonds and exclude these bonds from county debt limit calculations.

Hawaii faces a severe housing shortage that cannot be addressed without significant investment in infrastructure, especially in transit-oriented development areas and other priority growth zones. Current funding mechanisms are fragmented and insufficient to meet the scale and timing of these needs.

This bill fits squarely into Hawaii's broader strategy to expand affordable housing by addressing one of the most persistent barriers: *the lack of infrastructure*.

This bill is also a bold initiative that equips counties with the tools necessary to address Hawaii's housing crisis responsibly and sustainably.

Thank you for the opportunity to testify.



**HAWAI'I COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawai'i 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
HOUSE COMMITTEE ON FINANCE

Thursday, April 2, 2026
2:00 p.m.
State Capitol, Conference Room 308 & Videoconference

In consideration of
S.B. 3219, H.D.2
PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13,
OF THE HAWAII STATE CONSTITUTION.

Chairperson Todd, Vice Chairperson Takenouchi, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports S.B. 3219, H.D.2**, which proposes constitutional amendments to authorize the Legislature to enable counties and other political subdivisions to issue housing infrastructure growth bonds, and 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. The HCDA is submitting this testimony based on its role in planning and developing transit-oriented development related infrastructure under Chapter 206E, Part X, *Hawai'i Revised Statutes*.

Hawai'i is facing a significant affordable housing challenge, and counties play a critical role in planning and delivering the infrastructure necessary to support new housing development, including water, sewers, roads, and other essential improvements that make housing development feasible. Establishing a clear constitutional basis for housing infrastructure growth bonds strengthens local capacity to finance these vital components of housing development without adversely affecting county debt limits.

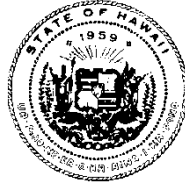
By amending Article VII, Sections 12 and 13 of the Hawai'i Constitution, this measure supports the use of innovative financing tools to accelerate housing

production, encourage smart growth, and expand local housing capacity while maintaining fiscal responsibility. These goals are consistent with HCDA's statutory mission.

The passage of this bill is the first step. If this measure is enacted into law, these constitutional amendments must be approved by the electorate through a ballot measure. A successful ballot measure will require informing and educating the electorate. Clarification is requested as to whether this responsibility is anticipated to be undertaken by the counties, a state agency, or the private sector.

Thank you for the opportunity to provide testimony in support.

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 Finance

Thursday, April 2, 2026
2:00 PM – Room 308, Hawaii State Capitol

In consideration of
SB 3219, HD2
PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13,
OF THE HAWAII STATE CONSTITUTION

Honorable Chair Todd, Vice Chair Takenouchi and members of the House Committee on Finance:

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

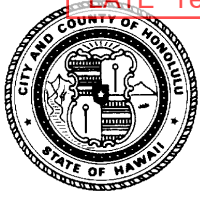
Hawaii's housing crisis is, at its core, an infrastructure issue. We cannot resolve the severe shortage of homes without first making significant infrastructure investments—particularly within Transit-Oriented Development (TOD) areas.

By allowing the counties to fund immediate infrastructure projects by pledging a portion of future property tax increases within designated districts, this financing tool will provide a sustainable funding stream without introducing new taxes or increasing current property tax rates.

Furthermore, the bill protects the fiscal health of the counties by excluding these bonds from county debt limit calculations, ensuring that counties can aggressively invest in housing-related infrastructure without compromising their ability to fund other essential public services.

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





LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

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

April 2, 2026

TESTIMONY IN SUPPORT OF SB3219, HD2

House Committee on Finance

Rep. Chris Todd, Chair

Rep. Jenna Takenouchi, Vice Chair

Chair Todd, Vice Chair Takenouchi, and Committee Members,

I write in **support** of SB3219, which proposes a constitutional amendment authorizing the counties to issue housing infrastructure growth bonds for specified public works, public improvements, or other actions necessary for housing and community development.

The proposed constitutional amendments 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.

SB3219 provides the opportunity for 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 would not rely on general funds or raise taxes on existing residents, making them appropriate to exclude from traditional debt limits.

Our housing crisis has no single solution. We need a range of approaches, and every extra tool in the toolbox makes a difference. 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 read 'M. Weyer', is written over a horizontal line.

Matt Weyer
Councilmember, District 2
Honolulu City Council



HAWAII REGIONAL COUNCIL OF CARPENTERS

April 2, 2026

TO: The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

RE: **TESTIMONY IN STRONG SUPPORT OF SB3219 HD2**

Aloha Chair Todd, Vice Chair Takenouchi, 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 SB3219.

SB3219 is a necessary and technical follow-through measure that ensures county debt-limit statutes are properly aligned with the proposed constitutional authorization for housing infrastructure growth bonds. Without this statutory conformity, counties will lack the clarity and certainty needed to responsibly use this tool, even if voters approve the constitutional amendment.

As the Legislature has recognized, **Hawai'i's housing crisis cannot be solved without major investment in housing-enabling infrastructure.** Water, wastewater, roads, drainage, and climate-resilient improvements are prerequisites to housing production. Counties need financing tools that are predictable, scalable, and fiscally responsible to deliver that infrastructure.

SB3219 does not authorize new borrowing on its own. Instead, it updates county debt-limit reporting requirements so that housing infrastructure growth bonds are treated consistently with their intended structure: **bonds that are payable solely from incremental property tax revenues generated by new development, not from general funds or countywide tax increases.** This distinction is critical to protecting county fiscal health while enabling infrastructure investment.

From a workforce perspective, this bill matters because **financing certainty translates directly into project certainty.** When infrastructure can be financed and delivered on schedule, housing projects move forward, local contractors can plan work, apprentices can accumulate hours, and Hawai'i residents benefit from stable, well-paid construction jobs building homes in their own communities.

SB3219 strengthens transparency, accountability, and financial discipline by clearly requiring counties to itemize and report bonded indebtedness while properly excluding housing

STATE HEADQUARTERS & BUSINESS OFFICES

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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

infrastructure growth bonds when they are not backed by general revenues. This is good governance and sound fiscal policy.

For these reasons, HRCC respectfully urges your support for SB3219.

Mahalo for the opportunity to testify.

April 2, 2026

The Honorable Chris Todd, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

**RE: Senate Bill 3219, HD2, PROPOSING AMENDMENTS TO ARTICLE VII,
SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION**

HEARING: Thursday, April 2, 2026, at 2:00 p.m.

Aloha Chair Todd, Vice Chair Takenouchi 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 3219, HD1, 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. Effective 7/1/3000.

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.

Mahalo for the opportunity to provide testimony on this measure.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONSTITUTIONAL AMENDMENT; Housing Infrastructure Growth Bonds; Debt Limit; Counties

BILL NUMBER: SB 3219 HD2

INTRODUCED BY: JHA

EXECUTIVE SUMMARY: 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. Effective 7/1/3000. (HD2)

SYNOPSIS: Amends Article VII, Section 12 of the Constitution to add a new paragraph defining "housing infrastructure growth bonds" as all bonds, the principal of and interest on which are payable from and secured solely by all real property taxes levied by a political subdivision, such as a county, on the assessed valuation of the real property in a designated district established by the political subdivision that is in excess of the assessed valuation of the real property for the fiscal year prior to the effective date specified by resolution of the political subdivision of the specified public works, public improvements, or other actions necessary for new housing development by the political subdivision within the designated district. Further amends that section to give the Legislature power to authorize political subdivisions to issue housing infrastructure growth bonds.

Additionally, adds a new paragraph to Article VII, Section 12 of the Constitution to define "community development" as the planning, acquisition, ownership, construction, reconstruction, rehabilitation, or improvement of capital projects or improvements, including real or personal property, or any interest therein, that advances a community's values, culture, and vision. Community development shall be limited to capital assets and shall not include operating expenses.

Amends Article VII, Section 13 of the Constitution to exclude housing infrastructure growth bonds from the debt limit specified in that section.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: The proposed measure would allow the counties to issue tax increment bonds (although they are called something else in the bill) and utilize the concept of tax increment financing as another means of financing capital improvements. The concept of tax increment financing is based on increased property tax revenue generated from rising property tax assessments which result from the improvements. Under a tax increment financing plan, a

specific geographic area would be designated as a tax increment district for which tax increment bonds would be sold to cover capital improvement project costs within that district.

Upon the designation of a tax increment district an “assessment base” is established, based on the total assessed value of taxable real property in a tax increment district at that time. A “tax increment,” which is the amount by which the current valuation of the real property exceeds the assessment base, is then determined. The revenues derived from the assessment base would be paid into the county’s general fund while the revenues derived from the tax increment would be deposited into the tax increment fund. In addition to the revenues derived from the determination of the tax increment, the proceeds of tax increment bonds are also to be deposited into the tax increment fund. The total revenues in the tax increment fund are then be used to finance capital improvements including debt repayment made to the tax increment district which, in turn, will result in increased property valuations due to renovation and increased capital improvements within the designated district.

This measure is not needed to authorize tax increment financing. Tax increment financing is already authorized by HRS Chapter 46, Part VI (sections 46-101 to 46-113, HRS). It has been so authorized since 1985. Act 267, SLH 1985.

The measure does provide that tax increment bonds shall be excluded from the determination of funded debt of the counties for purposes of the constitutional spending ceiling. It is questionable why tax increment bonds should be treated differently from any other debt of the counties.

As the Hawaii Supreme Court explained in *Convention Center Authority v. Anzai*, 78 Haw. 157, 890 P.2d 1197 (1995), Hawaii’s Constitution has had some form of debt limitation in place essentially from its inception. Under the Organic Act, the debt limit was set at ten percent of the assessed value of real property. The limit was subsequently increased to fifteen percent at the 1950 Constitutional Convention. The present structure of the debt limit and its exceptions was adopted by the 1968 Constitutional Convention, where the delegates were particularly wary of the implications of pledging the full faith and credit of the state behind an undertaking that was not “self-sustaining” or whose revenues, and/or the user taxes derived from the undertaking, could not cover the debt service charges. That is why the present constitutional provisions provide for the excludability of reimbursable general obligation bonds from the debt limit to the extent that “reimbursements are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year.” Haw. Const. art. VII, § 13(6). In other words, the amounts that are not directly reimbursed to the general fund by revenue and/or user taxes are not excludable from the debt limit. This compromise position carefully balances the competing interests of flexibility and security.

We question the wisdom of writing an exception into our constitutional debt limit safeguards for debt that is supposed to be paid back by increased property tax revenues from development that has yet to occur. If the development does not deliver as advertised, government remains on the hook to repay the bonds, meaning that all of us suffer.

Digested: 3/31/2026



April 1, 2026

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
Committee on Finance

RE: SB 3219 - PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION
Hearing date – April 2, 2026 at 2:00PM

Aloha Chair Todd, Vice Chair Takenouchi and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **STRONG SUPPORT of SB 3219 – PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION**. NAIOP Hawaii is the Hawaii chapter of the nation’s leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

SB 3219 proposes amendments to the Constitution of the State of Hawai‘i to expressly provide that the Legislature may authorize political subdivisions, such as counties, to Housing Infrastructure growth bonds (HIG), and to exclude these increment bonds in calculating the debt limit of the political subdivisions.

NAIOP Hawaii supports SB 3219 which will explicitly enable the Legislature to authorize counties to issue tax increment bonds. The proposed amendments allow for the utilization of HIGB, a proven financial tool for supporting district infrastructure and fostering economic growth.

NAIOP Hawaii firmly believes that HIG serves as necessary financing tool that will allow for the development of infrastructure from which future housing and mixed-use communities will grow from and serve many generations of Hawaii residents to come. Hawai‘i’s housing shortage is fundamentally an infrastructure problem. Roads, water systems, wastewater capacity, drainage, and public facilities are often the binding constraints on housing production. Even in strong budget years, existing tools such as capital improvement funding and general obligation bonds cannot keep pace with the scale and timing of infrastructure demand tied to housing growth. HIG consistently unlocks the highest financing capacity that can serve as a long-term investment in Hawaii’s future.

HIG provides a proven, fiscally responsible solution having been implemented in 48 states across the country. HIG is a value-capture financing tool that allows local governments to fund infrastructure upfront and repay that investment using a portion of the future increase in tax revenue generated by the development the infrastructure enables. HIG reallocates a share of newly created tax revenue within a defined district to pay for the infrastructure that made that growth possible without implementing new taxes for residents.

This approach aligns costs with benefits. Development that creates new demand for infrastructure also generates the revenue to pay for it. Properly structured HIG districts do not divert existing revenues from public services because the incremental property tax revenue would not exist without the infrastructure investment. Jurisdictions can also require fiscal impact analyses and dedicate only a portion of the increment to bond repayment, ensuring essential public services remain fully funded.

HIG is not an experimental concept. It has been used nationwide for decades and is widely regarded as one of the most effective tools for financing infrastructure in urban redevelopment, transit-oriented development, master-planned communities, and post-disaster recovery areas. Compared to alternatives such as special assessments or community facilities districts, HIG generally provides greater financing capacity while avoiding the need to impose new taxes or fees directly on residents, which can increase housing costs.

In 2022, The State of Hawaii commissioned the TOD Infrastructure Financing Study, a four-phase study which took eighteen months to complete (June '22 – Dec '23) and included input from a multitude of consultants, State and City offices, and stakeholders. According to the Study:

1. Existing County and State funding for infrastructure is not sufficient to meet the needs of Hawaii's long-standing affordable housing crisis.
 - i. Counties are already investing in infrastructure via existing means such as CIP; however, existing sources, even in good budget years, are not sufficient for the infrastructure needed to support housing production goals. Additional tools, including those explored by this study, are needed to supplement their resources.
2. Tax Increment Financing provides the highest financing capacity out of all alternative financing mechanisms, including Community Facilities, One-Time Fees, General Excise Tax Surcharges, Transient Accommodation Taxes Surcharge, and the like.
3. Tax Increment Financing, as a value capture tool, provides greater flexibility in eligibility, as opposed to traditional public funding such as GO Bonds, CIP, State grants, or Federal programs).

Importantly, this measure does not mandate the use of HIG. It simply provides local governments with an additional option in their infrastructure financing toolbox,

subject to public processes and appropriate safeguards. These safeguards can include “but-for” findings, fiscal modeling, and legislative approvals to ensure the tool is used only where it is necessary and beneficial.

Hawai‘i’s housing and infrastructure challenges are challenges of financing and timing. HIG helps solve both by allowing infrastructure to be built when it is needed, not years later when funding becomes available. By enabling infrastructure delivery without raising taxes, this measure supports housing production, protects general funds, and promotes fiscally responsible growth.

Accordingly, NAIOP Hawaii greatly supports the utilization of HIG to provide the highest financing capacity for projects in specific districts across the State. Empowering counties with the opportunity to issue tax increment bonds will enhance their financial capacity to address the essential infrastructure requirements that are critical to improving our local housing crisis. Thank you for the opportunity to provide testimony in support of SB3219.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is fluid and cursive, written in a professional style.

Ken Hayashida, President
NAIOP Hawaii



April 2, 2026

TO: HONORABLE CHRIS TODD, CHAIR, HONORABLE JENNA TAKENOUCHI, VICE CHAIR, COMMITTEE ON FINANCE.

SUBJECT: **SUPPORT OF S.B. 3219 HD2, PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION.** Proposes constitutional amendments to expressly provide that the Legislature may authorize political subdivisions, such as the counties, to issue housing infrastructure growth bonds, and exclude these bonds from determinations of the funded debt of the political subdivisions for specified public works, public improvements, or other actions necessary for housing and community development.

HEARING

DATE: Thursday, April 2, 2026
TIME: 2:00 p.m.
PLACE: Capitol Room 308

Dear Chair Todd, Vice Chair Takenouchi and Members of the Committees,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA **Supports** on S.B. 3219 HD2, which proposes constitutional amendments to expressly provide that the Legislature may authorize political subdivisions, such as the counties, to issue housing infrastructure growth bonds, and exclude these bonds from determinations of the funded debt of the political subdivisions for specified public works, public improvements, or other actions necessary for housing and community development.

This measure will allow for a financial tool that other states utilize to support infrastructure development. Infrastructure is vital to address the affordable housing crisis facing the State. GCA believes that this will aid in transit oriented development and housing production.

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



April 1, 2026

Representative Chris Todd
Representative Jenna Takenouchi
Members of the House Committee on Finance
Thirty-Third Legislature, Regular Session of 2026

Hearing date: April 2, 2026 @ 2:00pm

RE: **SB 3218 –PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION**
SB 3219 – RELATING TO BONDS

Aloha Chair Todd, Vice Chair Takenouchi 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 and SB 3219 PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION. 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 and SB 3219, which together would authorize the use of housing infrastructure growth bonds, a form of tax increment financing, to fund required infrastructure necessary to help further development of new homes for Hawaii's families. 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 SB 3218** and **SB 3219**.

Mahalo for your consideration,

Tracy S. Tonaki
President
D.R. Horton Hawaii



April 1, 2026

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

Strong Support of SB 3219, HD2, PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION (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. Effective 7/1/3000. [HD2])

**Thursday, April 2, 2026, at 2:00 PM
State Capitol, Conference Room 308, and VIA VIDEOCONFERENCE**

The Land Use Research Foundation of Hawai'i (LURF) is a private research and trade association founded in 1979, whose members include major Hawai'i landowners, developers, utility companies, and land use professionals. LURF's mission is to research, educate, and advocate for reasonable, rational, and equitable land use planning, laws, and regulations that encourage well-planned and sustainable economic growth in agriculture, housing, renewable energy, commercial and industrial uses, and tourism, while safeguarding Hawai'i's significant natural, environmental, historic, and cultural resources, public health, and safety.

LURF **strongly supports SB 3219, HD2**, because if approved by the voters, it will allow the counties to facilitate significant, dependable, and continuing funding of the infrastructure essential to support new housing development, and specified public works, public improvements, or other actions necessary for housing and community development in priority growth areas across the State.

Based on the reasons stated above, LURF is in **strong support of SB 3219, HD2**, and respectfully requests your favorable consideration of this bill.

Thank you for the opportunity to provide comments in support of this proposed measure.



Testimony of
Pacific Resource Partnership

Hawai'i State Legislature
Honorable Members of the House Committee on Finance (FIN)
Thursday, April 2, 2026

Subject: Testimony in Strong Support of SB3219 HD2 relating to housing infrastructure growth bonds and debt limit of the counties.

Aloha Chair Todd, Vice Chair Takenouchi, and esteemed members of the committee.

Pacific Resource Partnership (PRP), representing more than 6,000 union carpenters, over 250 signatory contractors, and community stakeholders statewide, respectfully submits this testimony in **STRONG SUPPORT** of SB3219 HD2. This measure proposes constitutional amendments that would authorize counties to issue housing infrastructure growth bonds payable solely from incremental real-property tax revenues within designated districts, meaning no increase in property tax rates. These bonds would be excluded from county debt-limit calculations for infrastructure essential to new housing development. If approved by voters, this proven value-capture tool — already used across the continent to fund hundreds of billions in growth infrastructure — will finally be available in Hawai'i.

Recent events in both California and Hawai'i highlight the urgent need for this flexible financing mechanism. The January 2025 Southern California wildfires, particularly the Palisades Fire, devastated communities in the Santa Monica Mountains. In response, California enacted SB782 (signed October 10, 2025), creating expedited "Disaster Recovery Districts" — a type of Enhanced Infrastructure Financing District (EIFD) — that use future property-tax increments to rebuild streets, water/sewer systems, utilities, and other public works without imposing any new taxes or fees on property owners. Los Angeles County is now moving forward with such a district for unincorporated Santa Monica Mountains communities.

Here in Hawai'i, the recent flooding from two Kona low storms dramatically demonstrated the critical need for upgraded and new infrastructure to protect our communities. Housing infrastructure growth bonds offer a practical way to finance these essential improvements alongside new housing development. PRP research shows that when homebuilders must fund roads, sewers, water, and power, those costs are passed directly to buyers and inflate home prices by 30% or more. Without this tool, planned communities such as Ho'opili and Koa Ridge — and dozens of projects on the neighbor islands — cannot move forward.



(Continued From Page 1)

These bonds shift the risk to bond purchasers, not taxpayers, keep general-fund dollars focused on core services, and unlock thousands of units along Honolulu's Skyline rail corridor and elsewhere. PRP respectfully urges the committee to pass SB3219 HD2 so Hawai'i can deliver the 64,000 housing units statewide that our families need right now.

Mahalo for your consideration.

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



April 1, 2026

The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the Committee on Finance

Subject:

Testimony: SB3219, HD2 Relating to Proposing Amendments to
Article VII, Sections 12 and 13, of the Hawaii State Constitution

[Hearing: April 2, 2026 at 2:00 PM Conference Room 308](#)

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to provide testimony in **strong support** of SB3219, HD2.

SB3219, HD2 proposes a constitutional amendment to authorize counties and other political subdivisions to issue housing infrastructure growth bonds payable from incremental real property tax revenues, and to exclude these bonds from constitutional debt limits.

Hawai'i continues to face a critical housing shortage, and one of the main challenges is securing sustained, scalable funding for housing-enabling infrastructure—such as water, wastewater, roads, drainage, transit, broadband, and public facilities. Traditional funding mechanisms are often fragmented and insufficient. Housing infrastructure growth bonds allow counties to use incremental real property tax revenues generated by development within a designated area to finance infrastructure up front, without increasing overall tax rates.

This measure provides counties with a financing tool to unlock funding for infrastructure that supports housing, mixed-use development, and broader community and economic needs, while maintaining prudent fiscal limits.

For these reasons, we respectfully urge the Committee to **PASS SB3219, HD2**.

Mahalo for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Glen Kaneshige".

Glen Kaneshige
President
Nordic PCL Construction, Inc.



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 3219 HD2 — RELATING TO BONDS

DATE: Wednesday, April 2, 2026

TIME: 2:00 p.m.

COMMITTEE: House Committee on Finance

Chair: Chris Todd

Vice Chair: Jenna Takenouchi

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

Avalon Development Company respectfully submits testimony in **STRONG SUPPORT of SB 3219 (HD2)**.

Hawai'i's housing shortage cannot be meaningfully addressed without large, coordinated investments in the infrastructure necessary to support new housing, particularly in transit-oriented development areas and other designated growth zones. SB 3219 provides counties with a critical financing tool to help close this infrastructure gap and accelerate housing production statewide.

SB 3219 proposes a constitutional amendment to expressly authorize counties to issue Housing Infrastructure Growth Bonds, a form of value-capture financing repaid solely from **incremental increases in real property tax revenues generated within designated districts**. This approach does not create new taxes or increase existing tax rates. Instead, it allows infrastructure to be financed upfront using revenues that would not exist but for the infrastructure investment itself. This aligns the cost of infrastructure with the growth it enables and avoids placing additional burdens on existing residents.

From a housing delivery perspective, infrastructure constraints are often the binding factor that stalls otherwise feasible housing projects. Roads, water and sewer capacity, drainage, and public facilities must be in place before housing can be built, yet existing capital improvement programs and general obligation bonding are insufficient to meet the scale and timing of these needs. Housing Infrastructure Growth Bonds provide counties with flexibility to deliver infrastructure when it is needed, rather than years later, reducing delays, financing risk, and overall housing costs.

Importantly, SB 3219 preserves fiscal responsibility by clarifying that these bonds are payable solely from incremental revenues and excluding them from county debt limit calculations to the extent they are repaid from those revenues. This ensures counties retain their bonding capacity for essential services while still investing in housing-enabling infrastructure. The bill does not



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mandate the use of growth bonds; it simply adds a proven tool to the counties' infrastructure financing toolbox, subject to future legislative action and public oversight.

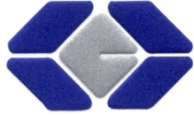
By strengthening counties' ability to finance infrastructure in priority housing areas, SB 3219 directly supports increased housing supply, smart growth, and long-term affordability. Avalon Development Company respectfully urges the Committee to advance SB 3219 and allow voters the opportunity to approve this important constitutional clarification.

Mahalo for the opportunity to submit testimony.

Respectfully submitted,

Avalon Development Company LLC

THE GENTRY COMPANIES



Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

RE: SB 3219, HD2 – Relating to Proposing Amendments to Article VII, Sections 12 and 13, of the Hawaii State Constitution
April 2, 2026 at 2:00p,

Aloha Chair Todd, Vice Chair Takenouchi and Members of the Committee,

On behalf of Gentry Homes, I thank you for the opportunity to submit testimony in support of SB 3219, HD2.

SB 3219, HD2 would help to provide funding for one of the biggest barriers to increased home development in Hawaii, required infrastructure. Infrastructure remains a critical hurdle to building homes, but especially affordable and workforce housing. Currently, the cost of infrastructure is paid for by the homebuilder. This results in capital being tied into these homes with a slow return. This tied up capital prevents reinvestment into new infrastructure and ultimately, homes.

SB3219, HD2 proposes a constitutional amendment to authorize counties to issue housing infrastructure growth bonds payable from incremental real property tax revenues. Value capture financing does not raise existing tax rates nor divert general fund resources away from essential public services. It enables parcels to leverage future property tax growth to pay for infrastructure upfront through increment bonds. Decreased costs in construction and infrastructure result in more homebuilding and lower costs for home buyers. Additionally, increment bonds do not count towards a county's debt limit, allowing general fund spending to remain focused on public services. For Gentry and other homebuilders, this partnership with government provides more certainty in assessing future projects and their pathway from conceptualization to reality.

Housing infrastructure growth bonds provide a practical and proven tool that is already implemented in most mainland jurisdictions to align infrastructure delivery with housing production. These growth bonds would help to shift infrastructure financing from individual homebuilders, which are included in housing costs, 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.

Value capture financing is a proven effective tool to building necessary infrastructure and facilitating more housing. SB 3219, HD2 would allow counties to use incremental real property tax revenues generated by development within a designated area to finance infrastructure up front, without increasing overall tax rates. We humbly ask the committee to pass SB 3219, HD2.

Mahalo,

A handwritten signature in black ink, appearing to read "Sunny Rosario".

Sunny Rosario
Gentry Homes, Manager of Governmental Affairs and Community Relations

1288 Ala Moana Blvd. Suite 201
Honolulu, Hawaii 96814
tel (808) 524-1508
fax (808) 524-0766
web kobayashi-group.com
email info@kobayashi-group.com

April 1, 2026

The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

Re: Testimony in Support of SB3219, HD2
Relating to Proposing Amendments to Article VII, Sections 12 and 13 of the Hawai'i
State Constitution

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to provide testimony in strong support of SB3219, HD2.

My name is Alana Kobayashi Pakkala, and I serve as CEO of Kobayashi Group, a Hawai'i based company actively engaged in the planning and delivery of housing across our state.

SB3219, HD2 represents an important pragmatic step toward addressing one of the most persistent barriers to housing production in Hawai'i. In the lack of timely and scalable infrastructure funding.

Hawai'i's housing shortage remains severe and persistent. According to the 2024 Hawai'i Housing Planning Study (HHFDC/DBEDT), the state needs over 64,000 additional housing units by 2027 to meet demand, and we continue to fall short in housing production. A significant portion of this need is for households earning above 80% of area median income – often referred to as workforce housing – where supply remains constrained and project feasibility is highly sensitive to cost and timing.

Hawai'i 's housing shortage is widely recognized as a primary driver of our high cost of living. However, the constraint is not solely land or zoning – it is very often infrastructure. Critical systems such as water, wastewater, drainage, roads, and other public facilities are frequently limiting factors that delay or prevent housing from being realized, particularly at scale.

This measure provides counties with a modern financing tool—housing infrastructure growth bonds—that allows for infrastructure to be funded upfront using incremental real property tax revenues generated by new development. Importantly, this approach does not require increasing overall tax rates, but instead captures the value created by the very projects that depend on that infrastructure.

From a development and delivery standpoint, the ability to align infrastructure investment with future tax revenue is essential. It enables projects to move forward more efficiently, reduces uncertainty, and supports the coordinated delivery of housing, mixed-use communities, and economic development.

Equally important, SB3219, HD2 maintains appropriate fiscal discipline by clearly defining the use of these bonds and limiting their repayment to incremental revenues within designated areas. This ensures that the tool is both targeted and responsible.

In my professional experience, the availability—or lack—of infrastructure funding can often be the single greatest determinant of whether housing projects advance or stall. Providing counties with this additional financing mechanism will directly support the production of much-needed housing across a range of income levels, including workforce and market housing.

For these reasons, we respectfully urge the Committee to PASS SB3219, HD2.

Mahalo for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alana', with a long horizontal flourish extending to the right.

Alana Kobayashi Pakkala
CEO
Kobayashi Group

SB-3219-HD-2

Submitted on: 4/1/2026 4:29:35 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kyle Watase	Mark Development, Inc.	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to provide testimony in *strong support* of SB3219, HD2.

SB3219, HD2 proposes a constitutional amendment to authorize counties and other political subdivisions to issue housing infrastructure growth bonds payable from incremental real property tax revenues, and to exclude these bonds from constitutional debt limits.

Hawai‘i continues to face a critical housing shortage, and one of the main challenges is securing sustained, scalable funding for housing-enabling infrastructure—such as water, wastewater, roads, drainage, transit, broadband, and public facilities. Traditional funding mechanisms are often fragmented and insufficient. Housing infrastructure growth bonds allow counties to use incremental real property tax revenues generated by development within a designated area to finance infrastructure up front, without increasing overall tax rates.

This measure provides counties with a financing tool to unlock funding for infrastructure that supports housing, mixed-use development, and broader community and economic needs, while maintaining prudent fiscal limits.

For these reasons, we respectfully urge the Committee to PASS SB3219, HD2.

Mahalo for your consideration.

Sincerely,
Kyle Watase

President

Mark Development, Inc.



House Committee on Finance
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

April 2, 2026
2:00 pm
Room 308

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

Castle & Cooke Homes Hawai'i, Inc. respectfully submits testimony in **strong support** of **SB3219_HD2**.

We are committed to building quality communities for local families. Hawai'i's housing affordability crisis is driven in large part by the ever-increasing cost of infrastructure, roads, drainage, sewer, water, and electrical systems must be constructed before housing can be delivered, and those costs continue to rise. High costs are also related to long-term design standards which benefit future generations of buyers. New buyers bear the full cost immediately, even though the infrastructure will serve future residents and users for decades.

SB3219_HD2 would allow this approach to move forward if voters approve and ratify the related constitutional amendment. The bill would enable counties to finance housing-related infrastructure through growth bonds that are repaid over time as development occurs and property values increase. Instead of requiring new buyers to shoulder the full cost upfront, infrastructure would be paid gradually by all who benefit from it, including future residents and users. Repayment would come from the growth in property tax revenues generated by the development itself, rather than from higher tax rates.

By aligning infrastructure financing with the long-term growth it supports, SB3219_HD2 removes a significant cost burden from new buyers while creating a fair, sustainable method of paying for infrastructure over time. This approach improves housing affordability, supports responsible growth, and allows housing projects to move forward without imposing additional costs on existing residents. This can ease financing pressures, make projects easier to move forward, and ultimately help produce more homes at attainable prices.

Importantly, this financing mechanism is designed to grow the tax base without increasing tax rates on existing residents, while preserving county borrowing capacity for other essential public services and infrastructure.

Hawai'i's housing shortage is widely recognized and addressing it will require coordinated action across land use, permitting, infrastructure, and financing. SB3219_HD1 represents a meaningful step toward providing counties with the tools needed to unlock housing-ready lands and accelerate the delivery of new homes.

For these reasons, Castle & Cooke respectfully urges the Committee to pass SB3219_HD2.

SB-3219-HD-2

Submitted on: 3/31/2026 9:26:10 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael A. Cobb Jr	Individual	Oppose	Written Testimony Only

Comments:

No new debt or tax increase. Do not change this provision.

April 1, 2026

The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the Committee on Finance

Subject: Testimony: SB3219, HD2 Relating to Proposing Amendments to
Article VII, Sections 12 and 13, of the Hawaii State Constitution
Hearing: April 2, 2026 at 2:00 PM Conference Room 308

Dear Chair Todd, Vice Chair Takenouchi and Members of the Committee:

Stanford Carr Development ***strongly supports*** SB3219, HD2, which proposes a constitutional amendment to authorize counties and other political subdivisions to issue bonds payable from incremental real property tax revenues and exclude those bonds from constitutional debt limits.

Specifically, we want to express support for the language that clarified the authorized uses of housing infrastructure bonds to include other actions necessary for housing and community development, and further defined community development. Infrastructure such as roads, utilities, drainage, transit, broadband, and public facilities often serve mixed-use districts and economic centers, not housing alone. The broader scope will give counties flexibility to respond to local needs and align infrastructure investments with comprehensive planning and economic development strategies.

SB3219, HD2 appropriately recognizes that Hawai'i faces significant infrastructure financing gaps and that traditional funding mechanisms are often insufficient to meet the timing, scale, and coordination required to support growth. The bill introduces a value-capture financing tool that has been successfully used in other jurisdictions to fund infrastructure without increasing tax rates, and we support this policy direction.

We respectfully urge the Committee to pass SB3219, HD2. Mahalo for the opportunity to provide testimony.

Sincerely,



Stanford S. Carr

**WRITTEN TESTIMONY BEFORE THE HOUSE
COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

**IN SUPPORT OF SB3219, HD2
Relating to Proposing Amendments to Article VII, Sections 12 and 13,
of the Hawaii State Constitution**

Thursday, April 2, 2026

State Capitol, Conference Room 308

Submitted by Cathy Camp

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance,

I write in strong support of SB3219, which proposes a constitutional amendment to authorize counties to issue housing infrastructure growth bonds and exclude these bonds from funded debt calculations.

Hawai'i's housing crisis is fundamentally an infrastructure challenge. The pace of housing development is constrained not only by land availability, but by the lack of timely investment in essential infrastructure—particularly within Transit-Oriented Development (TOD) areas where growth is most viable and sustainable.

SB3219 provides a pragmatic financing mechanism to address this gap. By enabling counties to fund critical infrastructure through the future incremental increase in property tax revenues within designated districts, this approach creates a self-sustaining funding model without imposing new taxes or increasing existing rates.

This tool will accelerate infrastructure delivery, unlock housing production, and better align public investment with planned growth.

For these reasons, I respectfully urge your support for SB3219.

Mahalo for the opportunity to testify.

Sincerely,



Catherine Camp

COUNTY COUNCIL

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



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

April 1, 2026

**TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON**

**SB 3219, HD 2, PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12
AND 13, OF THE HAWAII STATE CONSTITUTION**

House Committee on Finance
Thursday, April 2, 2026
2:00 p.m.

Conference Room 308
Via Videoconference

Dear Chair Todd and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of SB 3219, HD 2, Proposing Amendments to Article VII, Sections 12 and 13, of the Hawai'i State Constitution. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I am pleased to support SB 3219, HD 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, and 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. Immediate infrastructure projects across all islands are needed urgently and at scale to meet the State's growing housing demand. This measure functions as a wise financing tool by providing a sustainable funding stream for counties without the need to create new taxes or increase Real Property Tax (RPT) rates on Kaua'i.

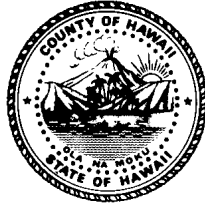
Thank you again for this opportunity to provide testimony in support of SB 3219, HD 2. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kaua'i County Council

RM:mn

Jennifer Kagiwada
Council Member District 2 South Hilo



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HAWAI‘I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai‘i 96720

DATE: April 4, 2026
TO: House Committee on Finance
FROM: Jennifer Kagiwada, Council Member
Council District 2
SUBJECT: SB3219 HD2

Aloha Chair Todd, Vice Chair Takenouchi, and esteemed Committee Members,

I am writing in **support** of SB 3219 HD2. 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. Additionally, excluding these bonds from our county debt limits supports overall budget health and allows for fiscal flexibility. 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,

Jenn Kagiwada