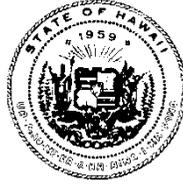


**JOSH GREEN, M.D.**  
GOVERNOR  
KE KIA'ĀINA



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

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 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.

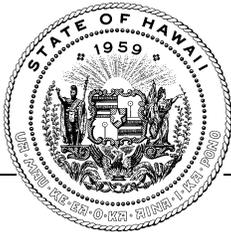
Hawaii's housing crisis is, at its core, an infrastructure issue. We cannot resolve the severe shortage of homes without first making significant infrastructure investments—particularly within Transit-Oriented Development (TOD) areas.

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.





**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, Hawaii'i 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii'i 96804

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Fax: (808) 587-2824  
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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 3219**  
**RELATING TO PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND  
13, OF THE HAWAII STATE CONSTITUTION.**

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

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

OPSD **would like to express its preference for the companion measure, HB 2476, HD 2.** The HD2 significantly enhances the utility of housing infrastructure growth bonds by expanding authorized uses to include broader actions necessary for housing and community development, rather than limiting the scope strictly to new housing development. By defining "community development" to encompass the planning, acquisition, ownership, construction, reconstruction, rehabilitation, or improvement of capital improvement projects that advance a community's values and vision, HB 2476, HD 2 provides the flexibility needed to support the essential environments that make housing viable. Importantly, the House draft ensures fiscal responsibility by limiting these funds to capital assets and explicitly excluding operating

SB 3219 RELATING TO PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12  
AND 13, OF THE HAWAII STATE CONSTITUTION - SUPPORT  
State Office of Planning and Sustainable Development  
March 18, 2026

expenses, thereby ensuring that bond proceeds are directed toward long-term physical improvements that strengthen Hawai'i's neighborhoods.

This measure and its companion measure, HB 2476, HD2, provide 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.

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.

**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 3219**

### **PROPOSING AMENDMENTS TO**

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

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

HHFDC **supports** Senate Bill 3219, 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, including water, wastewater, drainage, roads, and sea-level rise mitigation, especially in transit-oriented development (TOD) 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*.

The State's housing strategy emphasizes:

1. **Transit-Oriented Development (TOD).** Concentrating housing near transit corridors to reduce costs and improve accessibility. This bill provides counties with a financing tool to fund infrastructure projects in TOD areas, enabling higher-density housing development.
2. **Accelerating Housing Production.** The State recognizes that insufficient infrastructure often stalls housing projects. By allowing counties to pledge future incremental property tax revenues through tax increment financing (TIF), this bill ensures upfront capital for infrastructure without raising property tax rates or creating new taxes.

This bill will accomplish this as it:

1. Creates a new financing tool. Housing Infrastructure Growth Bonds allow counties to pledge a portion of future growth in property tax revenues within designated districts to fund infrastructure today.
2. Will not introduce new taxes or increase current tax rates, since these bonds rely on incremental property tax revenues generated by new development and rising property values, not on countywide tax hikes.
3. Protects fiscal health. This bill excludes these bonds from county debt limit calculations, preserving each county's ability to fund other essential services, while still investing in housing-related infrastructure. This enables counties to finance critical infrastructure without jeopardizing their bonding capacity for other essential services.

This bill is 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**

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

Chairperson Evslin, Vice Chairperson Miyake, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports** SB 3219, 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.



March 18, 2026

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

**RE: SB3219, Proposing Amendments to Article VII, Sections 12 and 13, of the Hawaii State Constitution**

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** SB3219, Proposing Amendments to Article VII, Sections 12 and 13, of the Hawaii State Constitution. This bill would expressly provide that the Legislature may authorize counties to issue housing infrastructure growth bonds for specified public works, public improvements, or other actions necessary for housing and community development.

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

**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 3219, 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.

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.



 808-733-7060

 808-737-4977

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Honolulu, HI 96817

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Mahalo for the opportunity to provide testimony on this measure.

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COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION  
HAWAII CHAPTER

March 18, 2026

Representative Luke Evslin, Chair  
Representative Tyson Miyake, Vice Chair  
Committee on Housing

**RE: SB 3219 - PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION**  
**Hearing date – March 18, 2026 at 9:00AM**

Aloha Chair Evslin, Vice Chair Miyake 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 provide 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 process 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 help 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



March 18, 2026

Representative Luke A. Evslin, Chair  
Representative Tyson K. Miyake, Vice Chair  
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 3219 – PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION**

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 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 3219 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 SB3219**.

Mahalo for your consideration,

Tracy S. Tonaki  
President  
D.R. Horton Hawaii



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## **TESTIMONY IN STRONG SUPPORT OF SB 3219**

Aloha Chair, Vice-Chair and members of the Committees. Avalon Development respectfully submits testimony in strong support of SB 3219. 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 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 the incremental increase in property tax revenues generated by new development within designated districts. This approach does not create new taxes or increase existing tax rates. Instead, it allows infrastructure to be financed upfront using revenue 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. This ensures counties retain their bonding capacity for essential services while still investing in housing-enabling infrastructure. The bill does not 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 respectfully urges the Committees 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**



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 SB3219 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), representing more than 6,000 union carpenters, over 250 signatory contractors, and community stakeholders statewide, respectfully submits this testimony in strong support of SB3219, 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.

If approved, this type of value capture financing will allow Hawai'i to finally join most of the country in using this type of funding, which has been used by mainland jurisdictions for decades to put hundreds of billions of dollars of infrastructure in place for new housing. In fact, housing infrastructure growth bonds would play a key role in making new housing more affordable for Hawai'i's people. PRP's research has shown that when homebuilders are tasked with putting infrastructure in place such as roads, sewers, water, and electricity – those costs are passed onto homebuyers and add 30% or more to the price of a home. In truth, the Hawai'i-model of having homebuilders foot the bill for tens of millions if not hundreds of millions of dollars in infrastructure, will not be replicated anytime soon. If SB3219 and value capture financing is not approved, we are unlikely to see the future construction of planned communities such as Ho'opili or Koa Ridge, which are adding thousands of units to Hawai'i's housing stock.

Furthermore, value capture financing allows the counties to grow their revenue pie without increasing taxes on local residents. It enables parcels that otherwise would have remained dormant to leverage future property tax receipts to pay for infrastructure upfront through increment bonds, thus lessening the overall cost of construction and resulting in more affordable units.



**(Continued From Page 1)**

Moreover, in municipalities located on the continent increment bonds do not count towards a county's debt limit, allowing general fund spending to remain focused on core services. Recent buildouts demonstrate the success of this approach: In Muskegon, Michigan, the Shaw Walker redevelopment transformed a historic site into 552 condo and apartment units with \$163 million in private investment, aided by brownfield Tax Increment Financing (TIF). Similarly, the Harbor 31 project in Muskegon is creating 154 new housing units and drawing \$110 million in capital through TIF-backed assessments and vapor mitigation, with completion slated for 2029. In Kentucky, the Gateway on Broadway adaptive reuse project, which opened in December 2025, utilized TIF alongside Low-Income Housing Tax Credit equity to deliver 116 affordable senior units in Louisville.

Finally, housing infrastructure growth bonds could be key in unlocking the true potential of transit-oriented development (TOD) for Honolulu's Skyline, as the areas around rail stations currently zoned by the City and County lack the necessary infrastructure to build the type of density that TOD requires. This financing tool could also support major opportunities across Oah'u, such as the City and County of Honolulu's plans for Iwilei-Kapalama, which envisions mixed-use redevelopment with thousands of housing units; the hundreds of acres attached to UH West O'ahu, primed for workforce and student housing expansion; and the 4,390 acres in the Kawaihoa-Poamoho Training Area that the U.S. Army has signaled it intends to return to state control, offering vast potential for sustainable community development.

Indeed, the most recent edition of the Hawai'i Perspectives survey of residents statewide, commissioned by PRP this past summer, showed that 53% favor the government paying for infrastructure for new housing, and that majority increases among young people. In short, housing infrastructure growth bonds are a commonsense approach to putting infrastructure in place without burdening taxpayers. These bonds could go a long way in helping to build the 64,000 housing units the state needs to catch up with current demand.

PRP respectfully urges the committee to pass this important measure.

Andrew Pereira



Director of Public Affairs  
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# 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 SB3219**

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 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

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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.

March 18, 2026

TO: Chair Evslin and Members of the House Committee on Housing  
RE: SB 3219, Proposing Amendments to Article VII, Sections 12 and 13, of the Hawai'i State Constitution

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 3219.** This measure proposes constitutional amendments that would enable counties to issue 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 3219.**

Thank you,



Lee Wang  
Executive Director  
Housing Hawai'i's Future  
[lee@hawaiiifuture.org](mailto:lee@hawaiiifuture.org)



Perry Arrasmith  
Director of Policy  
Housing Hawai'i's Future  
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# 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

INTRODUCED BY: HB by EVSLIN, AMATO, BELATTI, ILAGAN, KAHALOA, KAPELA, KEOHOKAPU-LEE LOY, KILA, KITAGAWA, KUSCH, LOWEN, MARTEN, MATAYOSHI, MIYAKE, MORIKAWA, SOUZA, TAM; SB by HASHIMOTO, CHANG, KEOHOKALOLE, McKelvey

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, 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.

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.

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

EFFECTIVE DATE: Upon approval by the electorate.

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.

While this concept provides another means for the financing of capital improvements, caution should be exercised to ensure that the amount of revenues generated within a tax increment district will be enough to cover the debt service of the tax increment bonds issued. Provisions should be made to ensure that this method of financing is not abused as it has been in other states. Specifically, it should be provided that once a tax increment financing district has been designated and the project costs estimated, such districts may not be enlarged nor shall expenditures exceed projections to include purposes other than originally authorized without specific local government approval.

In other words, in designating such districts, certification of assessment values should be done to ensure that valuations of properties within the tax increment district will increase sufficiently to generate enough revenues to repay the cost of the bonds sold. Conversely, specific provisions should be made to ensure that any excess revenues are returned to the county general fund.

The measure also provides 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.

Re: SB 3219  
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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: 2/4/2026

**SB-3219**

Submitted on: 3/16/2026 9:09:52 PM

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

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committeemembers,

We need to sustainably grow and develop the communities of tomorrow. That objective is advanced in this proposed amendment to our state constitution. The importance of passing this amendment cannot be understated. I strongly urge the committee to **PASS** 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.

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

I support this measure to propose amendments to the Hawai'i State Constitution to authorize the Legislature to empower the counties to issue housing infrastructure growth 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 providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. Housing infrastructure growth bonds would allow counties to pledge a portion of future growth in property tax revenues within designated districts to fund infrastructure without introducing new taxes, increasing tax rates, or jeopardizing bonding capacity for other essential services.
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.

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Councilmembers  
K. Kauano'e Batangan  
Tom Cook  
Gabe Johnson  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
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March 17, 2026

TO: Honorable Luke A. Evslin, Chair, and  
Members of the House Committee on Housing

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

DATE: Wednesday, March 18, 2026  
9:00 a.m., Conference Room 430

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

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

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, and we must utilize responsible and innovative financing tools to increase housing supply. SB 3219 provides a fiscally sound mechanism by allowing access to lower-cost financing through special purpose revenue bonds. These bonds are payable solely from the project revenues and do not constitute a general obligation of the State, thereby protecting taxpayers while helping projects move forward.

This measure provides important statutory clarification and administrative improvements that will help streamline the delivery of infrastructure necessary to support housing development. By strengthening oversight and reporting requirements

March 17, 2026

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while improving procedural alignment, the bill promotes transparency, fiscal responsibility, and efficiency in the use of public resources.

Housing production depends on timely infrastructure investment and SB 3219 helps remove unnecessary delays and uncertainty that can slow projects, increase costs, and ultimately limit housing supply. By improving coordination and accountability, this measure supports responsible growth while safeguarding public funds.

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

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