



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

JOSH GREEN, M.D.
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Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEES ON THE JUDICIARY & WAYS AND MEANS
Wednesday, March 4, 2026, 10:35 AM
State Capitol, Conference Room 211

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

Chairs Rhoads and Dela Cruz, Vice Chairs Gabbard and Moriwaki, and Members of the Committees on the Judiciary & Ways and Means.

The Office of Planning and Sustainable Development (OPSD) **supports SB 3219**, which proposes constitutional amendments to authorize counties to issue Housing Infrastructure Growth Bonds and exclude these bonds from county debt limit calculations.

Hawaii's infrastructure is facing challenges preventing housing development in transit-oriented development areas and other priority growth areas. The funding mechanisms we currently have in place are insufficient to finance these large cost projects. Without the proposed constitutional amendments to authorize counties to issue Housing Infrastructure Growth Bonds these projects cannot be funded, and infrastructure will continue to deteriorate.

The State's Housing Strategy along with the TOD Council's Strategic Plan highlights:

- Housing in transit-oriented development areas
- Investment in infrastructure for housing development
- Improving accessibility to transit, goods and services
- Accelerating Housing Production

The proposed bill will accomplish:

- Creation of a new infrastructure financing tool
- No new tax or increase in current tax rate
- New housing development

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 2, 2026

The Honorable Karl Rhoads, Chair
The Honorable Donovan Dela Cruz, Chair
and Members of the Senate Committees on Judiciary, Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

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

Dear Chair Todd and Committee Members:

The City and County of Honolulu ("City") respectfully submits **comments** to Senate Bill 3219. This bill proposes an 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 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 Karl Rhoads, Chair
The Honorable Donovan Dela Cruz, Chair
and Members of the Senate Committees on Judiciary, and Ways and Means
March 2, 2026
Page 2

If you have any questions, please feel free to contact me or Anthony Miranda,
Legislative Liaison, at (808) 768-6608.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Formby', with a long horizontal line extending to the right.

Michael D. Formby
Managing Director

March 4, 2026

The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair

Senate Committee on Judiciary

State Capitol, Conference Room 211 & Videoconference

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

HEARING: Wednesday, March 4, 2026, at 10:35 a.m.

Aloha Chair Dela Cruz, Chair Rhoads, and Members of the Joint Committees:

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.



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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.





**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
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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
SENATE COMMITTEE ON WAYS AND MEANS
SENATE COMMITTEE ON JUDICIARY

Wednesday, March 4, 2026
10:35 am
State Capitol, Conference Room 211 & Videoconference

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

Chairperson Dela Cruz, Chairperson Rhoads, Vice Chairperson Moriwaki, Vice Chairperson Gabbard and members of the Committees. 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, as a value capture financing tool and to exclude those bonds from determinations of funded debt for specified housing-related infrastructure. 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 4, 2026

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
Members of the Senate Committee on Ways and Means

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
Members of the Senate Committee on Judiciary
Thirty-Third Legislature, Regular Session of 2026

Hearing date: March 4, 2026, at 10:35 AM

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

Aloha Chair Dela Cruz, Vice Chair Rhoads 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



March 3, 2026

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
Committee on Judiciary

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
Committee of Ways and Means

RE: SB 3219 - PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION
Hearing date – March 4, 2026 at 10:35am

Aloha Chair Rhoads, Chair Dela Cruz 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,



Ken Hayashida, President
NAIOP Hawaii

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813

FAX: (808) 587-0600

Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

AND

SENATE COMMITTEE ON JUDICIARY

March 04, 2026 at 10:35 a.m.

State Capitol, Room 211

In consideration of

SENATE BILL 3219

PROPOSING AMENDMENTS TO

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

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, 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.



LATE

March 4, 2026

**Senate Committee on Ways and Means
Sen. Donovan Dela Cruz, Chair
Sen. Sharon Moriwaki, Vice Chair**

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

Chair Dela Cruz, Vice Chair Moriwaki, 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.



LATE

Testimony of Move Oahu Forward
Hearing on SB 3219
March 4, 2026, at 10:35 am

Senator Donovan Dela Cruz, Chair, Senate Committee on Ways and Means
Senator Karl Rhoads, Chair, Senate Committee on Judiciary
Members of the Senate Committee on Ways and Means, and Senate Committee on Judiciary

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

Hearing date – March 4, 2026 at 10:35 am

Chair Dela Cruz, Chair Rhoads, and members of the Committees,

Move Oahu Forward (MOF) respectfully submits testimony in **SUPPORT SB 3219 – PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII STATE CONSTITUTION**. MOF is a non-profit established in 2012 to support rail transit and public transportation options. With the Skyline running, MOF is pivoting to expand its focus to the “promise” of rail and Transit Oriented Communities (TOC). Our focus is in the Kalihi corridor.

SB 3219 proposes amendments to the Hawaii State Constitution, allowing the Legislature to authorize the counties to issue housing infrastructure growth bonds, and to exclude same from the calculations of the counties’ debt limits. Such bond financing is a proven financial tool to make infrastructure investments to support affordable housing developments which in turn, foster economic growth.

The State of Hawaii commissioned the TOD Infrastructure Financing Study (June ’22 – Dec ’23), and made the following recommendations:

- a. Existing County and State infrastructure funding is not sufficient to meet the needs of Hawaii’s affordable housing crisis.
- b. Such bond financing provides the highest financing capacity and a greater eligibility flexibility.

MOF wholeheartedly supports the addition of housing infrastructure growth bond into our collective affordable housing toolbox. It provides the highest financing capacity for projects in specific districts, to include Transit Oriented Communities. This will help our communities realize the “promise” of rail in an equitable and more expedient manner.

Thank you for the opportunity to provide testimony in support of SB 3219.

Aloha,
Jennifer Sabas
Executive Director
Move Oahu Forward



March 4, 2026

TO: Chair Dela Cruz and Members of the Senate Committee on Ways and Means
Chair Rhoads and Members of the Senate Committee on Judiciary
RE: SB3219, Proposing Amendments to Article VII, Sections 12 and 13, of the Hawai'i
State Constitution

Dear Chair Dela Cruz, Chair Rhoads, 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 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 would 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 over nearly half a century. 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
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Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

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Director of Council Services
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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
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March 2, 2026

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

Honorable Karl Rhoads, Chair, and
Members of the Senate Committee on Judiciary

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

DATE: Wednesday, March 4, 2026
10:35 a.m., Conference Room 211

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.

March 2, 2026

Page 2

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 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.