

HOMELESS TO HOUSED

Terwilliger Center for Housing



The exterior corridor features ADA-compliant accessibility, including ramps, a door light at each unit, hanging ferns, potted plants, and a small roof covering. The design is inspired by the 'Ōhi'a Lehua blossom, a symbol of resilience and renewal. (Courtesy of HomeAid Hawai'i.)

CASE STUDY: PŪLAMA OLA KAUAHALE



An inviting and safe entry to a unit.
(Courtesy of HomeAid Hawai'i.)

HONOLULU, HAWAII

LOCATION:

1250 Punchbowl Street,
Honolulu, Hawai'i

PARTNERS:

Project Vision Hawai'i (PVH)
The State of Hawai'i

PROJECT TYPE:

Medical respite community

COST:

\$367,266.03

SIZE:

Lot Size: 844 square feet
Facility Size: 10 tiny homes
Total Capacity: 12 residents

COMPLETION DATE:

May 2023

CONTACT:

HomeAid Hawai'i,
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kimo@homeaidhawaii.org

OWNER:

HomeAid Hawai'i

OPERATOR:

Project Vision Hawai'i



The comfortable and bright unit includes a bed, a ceiling fan, a bedside table, and an open wardrobe. The door is secured with a smart lock. (Courtesy of HomeAid Hawai'i.)

Project Overview

The Pūlama Ola Kauhale initiative in Honolulu, Hawai'i, is the state's first medical respite community, located steps away from the Capitol building. The project consists of 10 tiny homes developed in response to the growing need for alternative discharge options for individuals leaving emergency departments or inpatient hospital stays who do not require skilled nursing but still need time and space to recover. Residents are referred to the initiative from medical centers in Honolulu. Many individuals experiencing homelessness rely on emergency rooms (ERs) for health care, often staying longer than medically necessary, which puts a strain on hospitals. This project helps alleviate that strain by ensuring that ER beds remain available for critical cases by offering individuals an alternative space that is safe and supportive for their recovery. A highlight of this community is that it is a project that catalyzed the creation of another six similar communities. The Pūlama Ola was constructed by HomeAid Hawai'i and is managed by Project Vision Hawai'i (PVH).

HomeAid Hawai'i is a nonprofit organization that originated from Hawai'i's building industry to address the needs of unhoused community members. It assists

individuals experiencing or at risk of homelessness in rebuilding their lives through construction, community engagement, and education. Together with PVH, a local nonprofit established in 2007, HomeAid Hawai'i provides stable housing and essential services for those in need.

As a pilot project designed to inform future developments, this innovative Kauhale (the Hawai'ian term for a group of houses or village) addresses an urgent need for housing through the leadership of Governor Josh Green, the Governor's Coordinator on Homelessness, the Department of Human Services, and the Emergency Proclamation on homelessness.

The Partnership

The success of the Pūlama Ola Kauhale is rooted in its strong partnerships with many stakeholders. The State of Hawai'i played a key role in supporting the project and recognizes the need for medical respite facilities.

Nonprofit developers and organizations, including PVH, have played a key role in shaping the operational framework, while HomeAid Hawai'i has underwritten costs to maintain employment. As the state's lead development partner, HomeAid

Hawai'i has been instrumental in on-site planning, construction, and infrastructure development. PVH serves as the State's operating partner.

Additionally, philanthropic funding and pro bono labor have supplemented the financial structure. The collaboration between municipal governments and developers has also led to long-term land leases, facilitating the expansion of similar initiatives.

Costs and Financing

The financial model of the Pūlama Ola Kauhale leverages multiple funding sources to maximize the development's financial efficiency and sustainability. The development is projected to save taxpayers and the State at least \$6 million per year through direct discharge planning by transferring patients from hospitals to the Kauhale, where the cost of maintaining a bed is \$1,375 per day. This is significantly lower than the cost of keeping a patient in a hospital, which helps reduce the burden on hospital systems while providing a more affordable alternative for patient recovery.

In addition, developers and nonprofit partners have contributed grant funding, philanthropic support, and over \$230,000 in savings from pro bono labor, discounted services, and supplies. HomeAid Hawai'i's underwriting plays a key role in ensuring continued employment for construction teams, enabling projects to be built efficiently and at scale.

The Pūlama Ola informed the HomeAid Hawai'i Kauhale approach in other developments, and learnings from this project translate to deeply affordable rents where residents pay no more than \$450 per month. The point of the HomeAid Hawai'i nonprofit and public/private partnership model is to reduce the cost of construction so that it can be passed along as deeply affordable rent, which helps to keep people housed, and supports them in achieving upward economic mobility.

Operationally, the return on investment is significant in the State of Hawai'i.

- 3.6 percent of patients in the State of Hawai'i use nearly \$3 billion in annual Medicaid funds received—this is about 1,300 people consuming over \$1 billion each year.
- This averages to approximately \$82,000 per individual.
- Kauhale reduces the cost of health and human services by approximately 43–73 percent per year (or \$60,000 per person per year).
- The Pūlama Ola site costs \$2,090,983 per year but saves taxpayers \$7,227,000 per year.

What Worked: The Project

The Pūlama Ola Kauhale is strategically located in the Department of Health's parking lot, in close proximity to medical facilities (including The Queen's Medical Center), government offices, and community services, ensuring accessibility for community members. The design of the Kauhale took into account functional needs and local culture.

To serve the functional needs of community members, a separate hygiene trailer provided by PVH offers showers and restrooms not only for residents but also for others in the community who lack access to basic hygiene facilities. Additionally, security and privacy were key considerations in the project's design; the Kauhale is fully fenced and equipped with 24-hour private security, ensuring a safe environment for both residents and neighboring state employees. Finally, the temporary nature of the Pūlama Ola allows for flexibility in meeting evolving needs because the units were designed to be easily relocated.

To highlight local culture, the exterior finishes were inspired by the 'Ōhi'a Lehua blossom, which symbolizes resilience and renewal—values that align with the Pūlama Ola's mission to support individuals on their path to recovery.



The mobile medical cart is equipped with monitoring devices, such as a blood pressure cuff, and is used by a medical team that is present on site. (Courtesy of HomeAid Hawai'i.)

What Worked: The Program

Beyond providing housing, the Pūlama Ola offers comprehensive support tailored to meet the needs of its residents. It includes ADA-compliant accessibility, features bathrooms, and has a common area to foster community-building. A medical team is present on-site, with nurses available for eight hours per day and medical assistants covering the remaining 16 hours. Additional medical professionals—including on-call nurses, nurse practitioners, and doctors—are available as needed.

Residents also have access to a robust array of services, including psychological services and group therapy sessions to support mental well-being. PVH provides full case management services that address employment, housing, and entitlement assistance. Nutrition is also a priority, with three meals provided daily, including physician-ordered, diet-specific options. Technology and communication resources, including wi-fi, phone, and tablet access, help residents stay connected. Community engagement activities foster social connection, while transportation and follow-up appointment support ensure continuity of care. Medication and refill assistance further promote adherence to treatment

plans, and cleaning and laundry services contribute to a safe and hygienic living environment. The Pūlama Ola's holistic program demonstrates that stable housing, coupled with integrated medical and social services, is a critical component of successful recovery and long-term stability.

Challenges

The core challenge for HomeAid Hawai'i is getting the public to accept alternative housing solutions. To address this concern, HomeAid Hawai'i has highlighted creative examples happening across the nation. However, shifting the perception around alternative solutions has been difficult and remains an ongoing effort.

Outcomes

The Pūlama Ola project has not only provided residents with critical support, but it has also served as a powerful community-based and culturally grounded model. Residents state that communal living has, for many, restored a sense of family and safety that seemed out of reach in their previous situations.

The success of the Pūlama Ola has also helped spur broader interest in the model. Though there was some resistance, the project received more support from community advocates and municipal government than had been seen in other parts of the state. It was Governor Green's first Kauhale as governor, intended to demonstrate support for "In my Backyard" housing solutions. Most importantly, the project demonstrated that this solution cost \$600,000 (with only \$67,000 in public funds), yet saved taxpayers a minimum of \$6.5 million in Medicaid expenses that would have been needed to treat unsheltered residents in hospitalized settings.

The model of community-designed villages used at the Pūlama Ola offers an effective alternative to housing-first models. While housing-first models have been successful across the country, Hawai'i's implementation of the housing-first model has faced challenges, particularly with long-term retention in intensive housing programs. One key reason is that many residents in housing-first models may feel they are living in isolation, without meaningful social support or connections. In contrast, community-designed villages such as the Pūlama Ola are intentionally structured to foster social connections, mutual support, and shared responsibility. This helps residents feel a sense of belonging. Research has shown that people who have deep connections to community, family, and networks live longer, experience less stress and anxiety, have lower rates of cardiovascular disease, and have a higher quality of life. Pūlama Ola demonstrated this immediately.

As a result of these demonstrated benefits, HomeAid Hawai'i set a goal to scale 30 Kauhales across the state of Hawai'i by the end of 2026. More than 55 locations have been assessed for critical infrastructure and utilities, area services (such as groceries, transportation, medication, etc.), and quality of life. Site selections are based on financial, social, and environmental factors that contribute to due diligence reports presented to the State of Hawai'i by HomeAid Hawai'i. Once the determination of sites is green-lit, based on the best information available, those sites will be developed as Kauhales.

This process of growth has also been guided by

the development team's lessons learned during the Pūlama Ola pilot implementation, primarily developing community spaces for the target population, which results in healing, recovery, and improved social determinants of health.

As a result, sites have been adapted based on insights from residents. For example, the original combined shower/toilet facilities were cost-effective, but they created limitations for residents who needed to use the facilities at peak times. Therefore, the facilities have since been redesigned with separate showers and toilet facilities based on the ratio of units, distance to the hygiene facilities, and other behavioral factors.

The team continues to gain insights to inform the evolution of the Kauhale model, ensuring that future communities of care remain responsive to residents' needs and support their long-term stability.

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME	Pūlama Ola Kauhale	BRIEF DESCRIPTION The Pūlama Ola Kauhale is the state's first medical respite community. The project consists of 10 tiny homes developed in response to the growing need for alternative discharge options for individuals leaving emergency departments or inpatient hospital stays who do not require skilled nursing but still need time and space to recover.
LOCATION	Honolulu, Hawai'i	
SPONSOR	HomeAid Hawai'i	
NUMBER OF UNITS	10 tiny homes serving 12 residents	
SIZE (SQUARE FOOTAGE)	844 (lot)	

Vertical (Tiny Homes)	Expenses			
		Actual	Discounted	Total
		Fair Market Value (\$)	In-Kind Value (\$)	Paid (\$)
	General contractor/carpentry	208,488.00	58,488.00	150,000.00
	Electrician	14,900.52	0.00	14,900.52
	Roofer	8,988.00	1,365.55	7,622.45
	Windows	6,360.00	6,360.00	0.00
	Flooring	5,580.00	5,580.00	0.00
	Door installation	4,324.44	1,984.43	2,340.01
	Hardware	2,814.66	0.00	2,814.66
	Painting	14,400.00	3,494.01	10,905.99
	Total	265,855.62	77,271.99	188,583.63

Electrical engineer	13,000.00	5,000.00	8,000.00
Electrician	21,352.00	5,000.00	16,352.00
Civil engineer	4,100.00	4,100.00	
Trucking transport	3,638.74	950.00	2,688.74
Plumber	2,500.00	2,500.00	
Water piping material	600.00	600.00	
Forklift rental	1,613.24		1,613.24
Forklift operator	6,825.28		6,825.28
General contractor/carpentry	18,650.00	18,650.00	
Water infrastructure	4,500.00	4,500.00	
Fence installation	16,955.00		16,955.00
Environmental monitoring	2,000.00	2,000.00	
Total	95,734.26	43,300.00	52,434.26

Furnishings and Site Preparations	Furnishing, fixtures, and equipment	16,706.69	6,750.00	9,956.69
	Landscaping	6,468.39	1,250.00	5,218.39
	Total	23,175.08	8,000.00	15,175.08

Soft and Development Costs	Development costs	216,113.06	105,040.00	111,073.06
	Total	216,113.06	105,040.00	111,073.06
		Actual	Discounted	Total
	Totals	600,878.02	233,611.99	367,266.03
			39%	100%
			In-Kind Value	Project Value

\$	
Revenue	
State government	67,266.03
Philanthropic donor	100,000.00
Philanthropic donor	100,000.00
Philanthropic donor	100,000.00
Total	367,266.03

\$	
Expenses	
Vertical	188,583.63
Horizontal	52,434.26
Furnishing, fixtures, and equipment	15,175.08
Development and soft costs	111,073.06
Total	367,266.03

\$	
Per-unit cost to replace	22,154.64
Per-unit cost subsidized	15,715.30

About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, the Institute has more than 48,000 members worldwide representing all aspects of land use and development disciplines.

About ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This initiative began through the 2022 research report *Homeless to Housed: The ULI Perspective Based on Actual Case Studies*. Driven by the generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report and companion case studies: uli.org/h2h.

uli.org/homelessness
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Sources

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