



State of the Kauhale Initiative

A comprehensive report establishing a baseline to support legislative oversight and complement audit findings

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◀ **THE KAUAHALE INITIATIVE** is a State of Hawai'i effort to expand deeply affordable housing and stabilization services for people experiencing or at risk of homelessness. While the concept predates recent implementation, the Initiative scaled quickly between 2023 and 2025, supported by emergency authorities used to accelerate permitting, procurement, and construction.

AS THE PORTFOLIO EXPANDED, kauhale became one of the State's most visible housing efforts. Public attention has concentrated on cost, infrastructure readiness, and how this approach fits alongside Hawai'i's longer term housing strategies.

Public opinion data shows that Hawai'i residents consistently rank cost of living, affordable housing, and homelessness among the State's most important issues. The same survey data also suggests broad support for deeply affordable housing approaches, including support for kauhale style housing for people experiencing homelessness and for low wage working residents who cannot access conventional housing. In that context, the central public question is less whether deeply affordable housing is needed and more how it is delivered, governed, and evaluated.

In 2025, HB431 was enacted as Act 309 and codified the Kauhale Initiative in statute. The law set baseline affordability expectations, strengthened oversight and reporting requirements, and required a management and performance audit in 2026.

This document was prepared ahead of that audit to support readiness and improve shared understanding of what is being evaluated. It reviews how the Initiative has been defined and implemented across statute, administrative practice, project records, and public interpretation. It also identifies repeatable delivery practices, documented value drivers, and issues that affect oversight, auditability, and long term program maturity.

Where press coverage and public opinion data are cited, they are used to describe how the Initiative is being interpreted publicly. They are not treated as findings on performance.



Defining the Kauhale Initiative

ORIGINS AND INSPIRATION

THE KAUAHALE INITIATIVE developed as a policy and delivery approach that pairs stabilization with community based housing. Its core idea is that stability is supported not only by a private unit, but also by shared space, shared responsibility, and a structure that helps people rebuild daily routines and belonging.

A commonly cited influence is then Lieutenant Governor Josh Green's 2018 visit to Community First! Village in Austin, Texas. That community is often described as a model of small, low cost homes organized around shared amenities and on site services, and it is frequently referenced as a point of inspiration for a Hawai'i specific adaptation.

Local examples also shaped how the concept was understood in practice. Pu'uhoonua o Wai'anae grew from a self organized encampment into a structured community with resident leadership and shared operating norms, later securing land in Wai'anae Valley and beginning relocation to a permanent Farm Village in

late 2025, with additional transitions planned (DLNR, 2025). In Waimānalo, Hui Mahi'ai 'Āina expanded from food distribution into a small community on family land that combines tiny homes with shared responsibilities and land stewardship. Kahauiki Village near Sand Island demonstrated a 60% reduction in family homelessness through partnership based delivery of village style housing at scale.

Together, these reference points informed a Hawai'i kauhale concept built around modest private units, shared amenities, and communal accountability. State adoption began with pilot projects under the Ige administration, including Kama'okū Kauhale in Kalaheo. It expanded under the Green administration, supported by emergency proclamations used to accelerate delivery. As the portfolio grew, program coordination was later centralized under the State Office on Homelessness and Housing Solutions, which manages projects delivered under the kauhale label.





TIMELINE

2015

Kaka'ako encampment clearance highlights gaps in housing alternatives. Some residents refuse Housing First placements and relocate together to Sand Island.

2018

Hawai'i officials travel to Austin, Texas to study Community First! Village as a potential model for adaptation in Hawai'i.

2019–2020

Then-Lieutenant Governor Josh Green begins referring to kauhale development as the "Kauhale Initiative," framing it as a programmatic strategy tied to early pilots.



2023

Governor Green assumes office and issues emergency proclamations on homelessness and housing, suspending permitting and procurement requirements. HomeAid Hawai'i receives its first kauhale contracts under this authority.

2025 (MAY)

Legislature enacts HB431 (CD1) as Act 309, creating a statutory definition of kauhale in the Hawai'i Revised Statutes. The law requires affordable rents, utility connections, competitive bidding thresholds, and a management and performance audit in 2026.



2017

Hui Aloha and Aunty Twinkle Borge advance community-led models emphasizing communal living and self-governance at Pu'uhonua o Wai'anae.



2019

Governor Ige authorizes early kauhale pilot projects, including Kama'okū Kauhale in Kalaeloa.

2023 (MID)

State Office on Homelessness and Housing Solutions (SOHHS) is created and tasked with oversight of kauhale projects and funding.



2024

The definition of kauhale broadened to include shelters and other housing types, with at least eighteen projects established statewide and a target of thirty by 2026.



2026

Legislative management and performance audit of the Kauhale Initiative scheduled under Act 309.

HOW IS THE KAUHALE INITIATIVE LEGALLY DEFINED?

The Kauhale Initiative is legally defined as a State of Hawai'i program that supports the development of deeply affordable, village style housing and related stabilization services for people experiencing or at risk of homelessness. Traditionally, a kauhale referred to a cluster of structures that together formed one household, with distinct spaces for sleeping, cooking, and gathering. The term combines kau (to place or set upon) and hale (house).

The program's scope is set out in statute and has evolved over time through changes in law and administration. The definitions below summarize how "kauhale" is described in legislation and state documents.

HB431 (CD1). The conference draft provides the controlling statutory definition of the Kauhale Initiative: "Kauhale" means: (1) A program to address the basic needs of individuals experiencing houselessness; and (2) Affordable housing spaces that are communal living spaces with individual household units and charge monthly rents no more than thirty per cent of the area median income level.

HB431 (HD2). An earlier House draft emphasized modest private units paired with communal areas: "Kauhale" – communal living spaces, with modest housing units for individual households and shared space for cooking, eating, recreation, and engaging in group activities.

HB431 (HD1). Legislative summaries traced how kauhale might take shape through prefabricated units or adaptive reuse, while highlighting communal responsibility: At that time, kauhale was defined as "communal living spaces, with modest housing units for individual households and shared space for cooking, eating, recreation, growing food, and engaging in group activities". As proposed, kauhale was envisioned as "prefabricated homes, or other modest, low-cost housing units", but "could also be created in an existing apartment, dormitory, or office building, so long as there is communal space and an investment in building communal responsibility."

LEGISLATIVE SUMMARIES AND BILL TRACKERS. These synthesize intent and appropriations under the Initiative: "Kauhale projects" – refers to projects that create deeply affordable, communal housing villages with shared spaces and wrap-around services intended to house and provide services to people experiencing houselessness.

SOHHS PROGRAM DESCRIPTION. The Statewide Office on Homelessness & Housing Solutions program page situates the Kauhale Initiative as a village-style model creating affordable, communal housing with shared spaces (kitchen, common areas) that functions like a village where people take care of place and each other; intended to include multiple kauhale projects across counties and emphasize communal responsibility and reduced operating costs over time.



EVOLVING DEFINITIONS UNDER LEGISLATIVE LEADERSHIP

OVER TIME, the *Kauhale Initiative* expanded beyond a village-style communal housing model to include additional housing and care approaches under the same label. Legislative and administrative actions reflect this broader use, including policy direction associated with Representative John Mizuno to apply the term *kauhale* to certain shelter, respite, and service oriented programs alongside newly developed village sites. In practice, this allowed the

State to scale faster by combining new development with existing or readily convertible capacity, and it also supported more centralized administration by grouping related efforts under one initiative framework.

This broader use of the *kauhale* label also created challenges for oversight and public understanding. When one term is applied to very different project types, program level counts and cost totals are easy to interpret as apples to apples

even when the underlying models, populations served, and cost drivers differ. That can blur what outcomes are attributable to village sites versus other interventions, and it can distort cost comparisons when projects with different purposes and capital needs are discussed as a single category. The portfolio approach supported rapid response, but it raised the importance of clear typologies and consistent definitions so evaluation remains fair and understandable.

clock tiny home village offering comprehensive medical and case management services. The *Ka Malu Ko'olau Kauhale* is geared to provide a safe and compassionate place to heal and recuperate, and to provide holistic supportive services in a community setting." (Project Vision Hawai'i, 2024)

PROJECT VISION HAWAII - PŪLAMA OLA KAUAHALE: "This innovative *kauhale* is the product of Governor Green and his administration, the Governor's Coordinator on

Homelessness, Department of Human Services, and the Emergency Proclamation addressing homelessness. The village will serve as the state's first tiny home *kauhale* for unhoused individuals leaving hospitals and in need of additional support on their path to healing and recovery." (Project Vision Hawai'i, 2024)

HHHRC - HO'OKAHI LEO KAUAHALE: "a low-barrier tiny home shelter program focused on building intentional community. This unique

initiative provides stable housing and comprehensive services designed to empower residents and foster meaningful connections." (Hawai'i Health & Harm Reduction Center, 2024)

CITY AND COUNTY OF HONOLULU: "A'ala Respite is a City-owned facility where medical respite care and other wraparound services for homeless individuals are being funded by the State of Hawai'i. In collaboration with the State's Office on Homelessness and Housing Solutions, the City's

Department of Community Service (DCS) has also installed 30 "*kauhale*" units in the facility's parking lot, offering a clean and safe environment where our community's most vulnerable individuals can receive essential medical treatment and support in a private space that they can call their own." (City and County of Honolulu, 2024)

How is the Kauhale Initiative defined publicly by partners?

HOMEAID HAWAII: "Kauhale is a traditional Hawaiian concept of village living. It is a collection of small homes arranged around shared spaces where everyone shares responsibility for one another and the wellbeing of the village. *Kauhale* communities pair private living spaces with shared kitchens, bathrooms, and gathering areas that bring people together." (HomeAid Hawai'i, 2025)

IHS - ALANA OLA PONO KAUAHALE: "At Alana Ola Pono *Kauhale*, we combine

personal freedom with community support, giving both independence and help when needed. Think of this *kauhale* as a stepping stone – a place where guests may work on their goals while having a safe, stable home." (The Institute for Human Services, 2024)

IHS - PAEPAE HOU KAUAHALE: "Paepea Hou is a State of Hawai'i *Kauhale Initiative* site, a safe launching pad for individuals experiencing homelessness who have chosen to continue

their substance use recovery journey in the company of others." (The Institute for Human Services, n.d.)

IHS - KUMU OLA HOU: "Kumu Ola Hou is a recovery-oriented transitional shelter "where life is your teacher" and you can rebuild your life in a safe environment." (The Institute for Human Services, 2024)

HALE KIPA - KAUAHALE 'ŌPIO: "As part of Hale Kipa's Transitional Living Program, *Kauhale 'Ōpio* on O'ahu

provides residential services to young adults ages 18 through 24 experiencing being unsheltered to promote their successful transition to self-sufficiency." (Hale Kipa, n.d.)

U.S. VETS - KAMA'OKŪ KAUAHALE: "Kama'okū *Kauhale* is a master planned housing community in West O'ahu designed to support veterans experiencing homelessness." (U.S. VETS, n.d.)

PROJECT VISION HAWAII - KA MALU KO'OLAU KAUAHALE: "An around-the-



How is the Kauhale Initiative defined by the press?

CIVIL BEAT consistently frames “kauhale” as tiny house or tiny home villages created as part of the state’s homelessness response, typically described as community focused small home villages rather than conventional shelter beds. (Honolulu Civil Beat, 2023, 2024).

KITV describes kauhale as tiny home villages paired with communal facilities and on site supports, including shared hygiene and service infrastructure, and presents these villages as a statewide strategy to house people experiencing homelessness. (KITV, 2024).

HAWAI’I PUBLIC RADIO (HPR) frames “kauhale” as tiny home villages intended to move people experiencing homelessness off the street and into housing, defining the concept in the story’s own background setup. (Hawai’i Public Radio, 2024, 2021).

MAUI NOW presents “kauhale” as a state created village model and uses “kauhale village” in explanatory background as part of its reporting context for a Maui project. (Maui Now, 2025).

THE MAUI NEWS frames a kauhale village as a project providing dozens of tiny homes and describes it as part of the small grouped homes model connected to housing wildfire survivors and people experiencing homelessness. (The Maui News, 2025).

SPECTRUM NEWS defines “kauhale” for readers as a tiny home village and also characterizes kauhale as communal living spaces that share bathrooms and kitchens, emphasizing the village concept as part of the outlet’s narrative description. (Spectrum News, 2024).

KAUMAKANI characterizes the kauhale initiative as communal housing that goes beyond tiny homes, framing it as a broader communal housing approach while noting legislative interest in major funding for development and operations. (Kaumakani, 2025).

STREET SENSE MEDIA explains “kauhale” as an Indigenous Hawaiian informed housing model that combines modest private rooms with shared communal living spaces such as bathrooms, dining, and living areas, presented as a supportive community approach to homelessness. (Street Sense Media, 2023).



HOMEAID HAWAI’I’S WORKING DEFINITION

SEPARATELY FROM contracted construction work on kauhale villages, the State of Hawai’i also engaged HomeAid Hawai’i to support the Kauhale Initiative through communications, branding, and public engagement. The Initiative itself is led by the State. HomeAid’s role has been to help present kauhale in a clear and consistent way and to improve alignment in messaging across

agencies and partners. This work has focused on explaining the Initiative’s purpose, documenting community level impacts, and placing kauhale within Hawai’i’s broader housing system.

In 2024, HomeAid Hawai’i commissioned an external communications audit to assess how kauhale was being portrayed in the press and on social media and how those narratives compared with

HomeAid’s intended framing. The audit produced a messaging framework and brand guidance aimed at improving clarity and public trust.

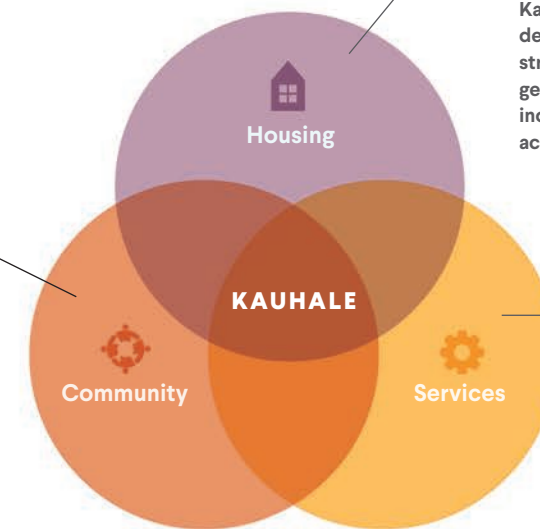
As the Initiative has continued to evolve under state leadership, HomeAid has adjusted its communications to reflect changing legislative definitions and policy decisions while maintaining consistent and accurate messaging about what kauhale represents.

Our current working definition:

- The Kauhale Initiative is designed to rapidly increase the availability of deeply affordable housing inventory across the State of Hawai’i.
- Kauhale are communities offering private living spaces with shared communal facilities such as kitchens, bathrooms, and gathering spaces. Their purpose is to reduce and prevent homelessness, lower Medicaid costs, improve health outcomes, keep people stably housed over time, and support economic mobility.
- HomeAid Hawai’i is the lead developer of kauhale villages for the State of Hawai’i.

COMPONENTS OF A KAUHALE VILLAGE

COMMUNITY
Kauhale communities are built around relationships and shared responsibility. Through recreation, daily routines, and mutual support, residents form a strong network of care. Community partners are meant to strengthen that network by connecting residents to services, opportunities, and the wider community, supporting long term stability.



HOUSING Kauhale villages emphasize affordability, adaptability, and security. While it’s common for Kauhale housing to be built with trauma-informed design principles, it can work in various forms with structures such as tiny homes, apartments, or dorms, but generally includes personal living spaces for privacy and independence, along with shared facilities for communal activities such as cooking, eating, and recreation.

SERVICES Kauhale services focus on health, management, and accountability. These services aim to improve physical and mental well-being, foster personal responsibility, and help residents develop the skills needed for self-sufficiency.



Comparative Analysis

PROGRAMS

Hawai'i's homelessness response and deeply affordable housing system includes multiple program types that differ in purpose, eligibility, funding source, and operating model. Some programs are designed for immediate crisis response, such as emergency shelter and low barrier shelter. Others are designed for time limited stabilization, such as transitional or bridge housing. Longer term interventions include permanent supportive housing, public housing, and voucher based assistance administered through federal and state frameworks.

STATE INITIATIVES ALSO FUND site based projects that expand outreach, shelter, and related services. 'Ohana Zones is one example, with implementation varying by county and provider and oversight coordinated through state agencies.

For comparison purposes, the Kauhale Initiative sits within this broader portfolio as a state led program label applied across multiple housing and service approaches. Depending on the site

and operator, projects described as kauhale may function as village style communal housing with individual units and shared facilities, or as other models such as medical respite, behavioral health focused housing, bridge housing, shelter, or adaptive reuse.

Because these approaches differ in intended length of stay, service intensity, cost structure, and outcome measures, comparisons require clear categories and consistent definitions when

interpreting statewide counts, unit and bed totals, and performance measures.

The table at right summarizes major housing and homelessness program types operating in Hawai'i, including typical populations served and administrative structures.

| PROGRAM | TYPE | PRIMARY POPULATION | ADMIN LEVEL |
|------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| EMERGENCY SHELTER | Shelter | People experiencing homelessness who need immediate, short-term shelter and crisis stabilization | Federal, HUD ESG via state and local recipients |
| SAFE HAVEN | Shelter | Individuals who are hard to serve and need low barrier supportive shelter settings | Federal, HUD CoC |
| TRANSITIONAL HOUSING | Bridge | People experiencing homelessness in time limited housing with supportive services | Federal, HUD CoC via CoC recipients |
| DISASTER RECOVERY HOUSING | Temporary | Households displaced by disasters who need interim housing assistance | Federal, FEMA IA housing support with state and county coordination |
| 'OHANA ZONES | Low barrier shelter and services | Unsheltered individuals and families, with site models varying by county and provider | State of Hawai'i pilot, implemented via state, counties, and contracted providers |
| PERMANENT SUPPORTIVE HOUSING | Permanent and services | People with disabilities, including many people experiencing chronic homelessness, who need long term rental assistance and supportive services | Federal, HUD CoC permanent housing with state and local service funding |
| HOUSING FIRST | Permanent and services | High acuity individuals and households prioritized for rapid access to housing with voluntary or participant centered services | State of Hawai'i DHS Housing First programs, plus broader system approach |
| HUD VASH VOUCHERS | Voucher and services | Veterans experiencing homelessness | Federal, HUD and VA partnership |
| SECTION 8 HOUSING CHOICE VOUCHERS | Voucher | Low income renters, including families, older adults, and people with disabilities | Federal, HUD via local PHAs |
| PUBLIC HOUSING (HPHA) | Permanent rentals | Low income households, including families, older adults, and people with disabilities | State PHA operating HUD public housing and HCV on O'ahu |
| KAUHALE INITIATIVE | Mixed, community based housing and services | People experiencing or at risk of homelessness, delivered across multiple typologies under the Kauhale Initiative label | State initiative, implemented via state agencies and contracted operators |
| SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY | Site based | Very low income older adults, generally age 62 or older | Federal, HUD via nonprofit sponsors and owners |
| TRANSITIONAL HOUSING | Rental assistance | Very low income adults with disabilities | Federal, HUD via nonprofits and state administered PRA |

Housing First

HOUSING FIRST is an approach that prioritizes rapid access to permanent housing without preconditions such as sobriety, participation in treatment, or employment. Supportive services are offered after housing placement, and participation in services is voluntary. In Hawai'i, Housing First principles inform multiple publicly funded programs and related service delivery practices.

Housing First has been studied internationally for decades, including through randomized controlled trials and large scale program evaluations. Across this research, the most consistent findings are improved housing stability and reduced use of high cost crisis systems such as emergency departments and inpatient care. Evidence on other outcomes, including employment, social integration, and longer term community connection, is more mixed and tends to vary by population served, local implementation, and service intensity.



Community First

COMMUNITY FIRST is a general term for housing approaches that prioritize collective stability and intentional community design alongside housing access. Compared with Housing First's focus on individual placement, Community First models place more weight on shared space, participation, and peer relationships as features meant to support belonging, routine, and mutual accountability. In Hawai'i, this framing is often linked to cultural concepts of collective responsibility and reconnection, including connection to 'āina and community.

The evidence base for Community First models is more limited and less standardized than the Housing First research base. Published findings are often based on case studies, administrative outcomes, and qualitative reporting rather than randomized controlled trials. Reported housing retention and social connection outcomes can be promising, but interpretation depends on differences in site design, operating rules, resident selection practices, and how strongly services and participation are built into daily operations.

Kauhale is often discussed within this Community First framing because village sites typically combine private living spaces with shared facilities and some form of community governance or participation. In practice, kauhale sites vary in population served, operating model, and the level of resident participation expected or supported. Where shared space and participation are implemented consistently, the model functions as more than unit delivery alone, with community structure treated as part of the intervention.



COMMUNITY FIRST VS. HOUSING FIRST

The table below compares core principles commonly associated with Housing First and Community First. While the Kauhale Initiative includes multiple project typologies under one label, the village style kauhale model aligns most directly with Community First characteristics based on its stated design intent and operating features.

| HOUSING FIRST | CORE PRINCIPAL | COMMUNITY FIRST |
|-------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------|
| Housing as a basic human right; housing is the platform for recovery and life improvement | PHILOSOPHICAL FOUNDATION | Homelessness is a human issue; community, dignity, and purpose are the keys to recovery |
| Scattered-site apartments throughout the community | HOUSING PROVISION | Congregate, master-planned village of micro-homes |
| Voluntary and mobile, delivered by case managers; not a condition of tenancy | SUPPORT SERVICES | Voluntary and on-site; often peer-based and integrated into the community |
| A goal of support services; not a prerequisite for housing | EMPLOYMENT/INCOME | Purposeful work and microenterprises are integral to the model and the community |
| Housing retention, reduction in institutional stays and costs | KEY OUTCOME METRIC | Housing retention, dignity, restorative relationships, sense of belonging |
| Multiple randomized controlled trials | PRIMARY EVIDENCE SOURCE | Several case studies |

'OHANA ZONES AND THE KAUHALE INITIATIVE

'Ohana Zones and the Kauhale Initiative both sit within Hawai'i's broader homelessness response, but they are different kinds of programs and they function in different ways. 'Ohana Zones began as a state funding and contracting program created by the Legislature through Act 209 in 2018, advanced during Governor David Ige's administration. The Kauhale Initiative accelerated later under Governor Josh Green, M.D., through the January 23, 2023 homelessness emergency proclamation, which explicitly aimed to speed construction of kauhale villages.



| 'OHANA ZONES | CORE PRINCIPAL | KAUHALE INITIATIVE |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A state funding and contracting program supporting a portfolio of homelessness response projects statewide. | WHAT IT IS | A statewide initiative centered on creating kauhale communal living environments through intentional design and operation. |
| Established by Act 209 in 2018 during Governor David Ige's administration, with appropriations and designated implementing agencies. | GOVERNOR AND POLICY MOMENT | Accelerated under Governor Josh Green, M.D., beginning January 23, 2023, through a homelessness emergency proclamation intended to speed construction of 12 kauhale communities. |
| Appropriated funding, contracts, and cross-agency implementation across state and county partners. | PRIMARY LEVER | Emergency authority and streamlined processes paired with a defined village concept and delivery goals. |
| Outputs vary by contract and site, including services, assessment or navigation functions, shelter or interim capacity, and other interventions depending on the funded project. | WHAT IT PRODUCES | Physical kauhale communities, described by the state as communal living with modest units and shared spaces for cooking, eating, recreation, and other activities. |
| Not standardized, since 'Ohana Zones is a funding program and funded sites differ across counties and providers. | SITE DESIGN | A more standardized conceptual format emphasizing communal design and shared space as part of the intervention, though implementation can still vary by site. |
| Supported by a multi-year evaluation effort covering 2018 to 2023, including implementation progress reporting and a Year 5 evaluation with recommendations. | EVIDENCE SOURCE AND EVALUATION | Public framing emphasizes purpose and expedited delivery, while outcome evidence varies by site and operating model rather than a single statewide experimental evaluation. |
| 'Ohana Zones funding can support services or components that may occur at different project types, potentially including village style settings if structured that way, but the program itself is not a single housing model. | RELATIONSHIP TO EACH OTHER | Kauhale is a housing and community model that can be paired with multiple funding streams depending on each site, including state programs when applicable. |

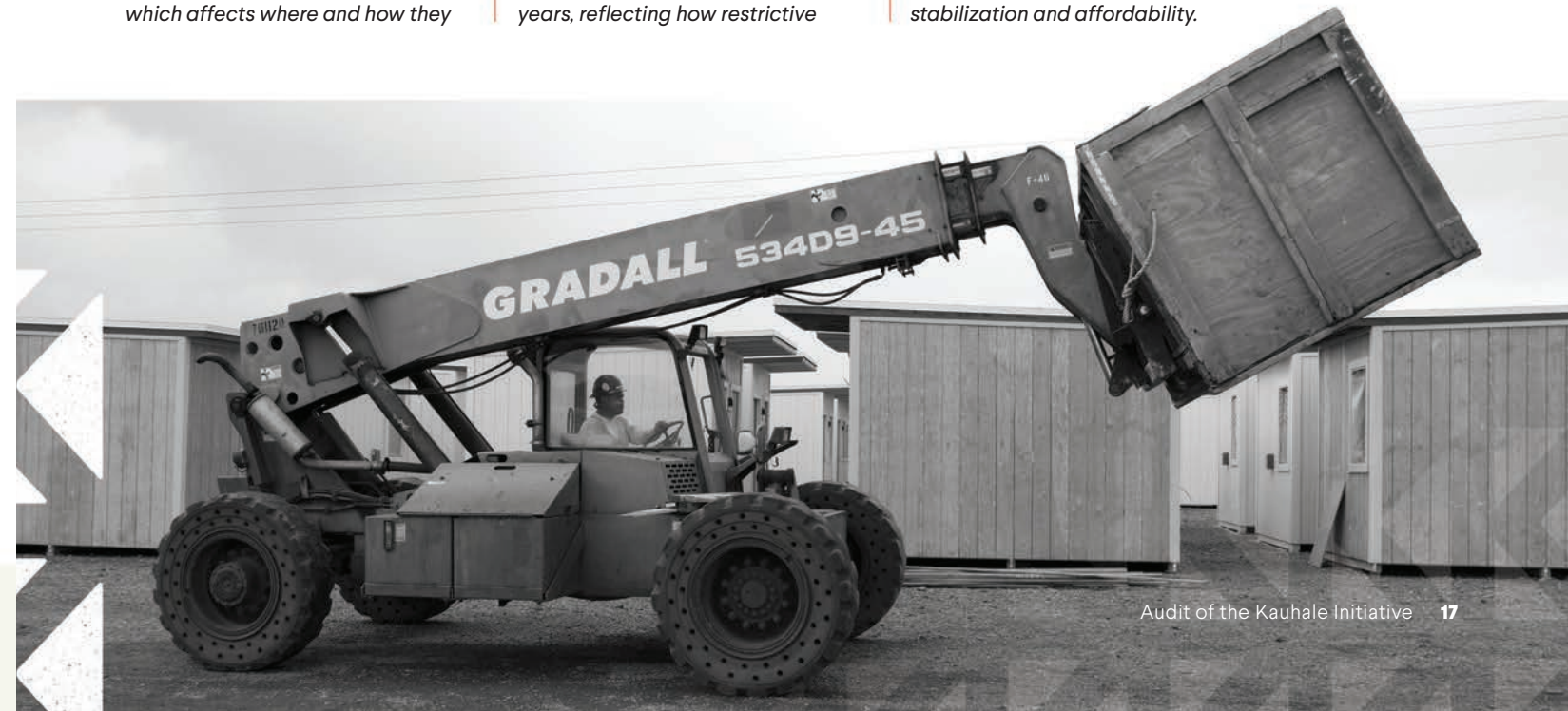
Typologies

As a housing typology, kauhale villages are best understood as a tiny home village model. They consist of small detached units arranged in a clustered layout. The units provide private personal space, while shared kitchens, bathrooms, and gathering areas are designed as daily points of connection, routine, and shared responsibility. In this model, shared facilities are not incidental. They are a core operating feature that shapes how the community functions and how stability is supported.

FOR DECADES, Hawai'i's building and zoning systems have been oriented toward self contained dwelling units with in-unit cooking and sanitation. Honolulu defines a dwelling unit as a space with permanent facilities for living, sleeping, eating, cooking, and sanitation, and defines an accessory dwelling unit as a separate unit with its own kitchen, bedroom, and bathroom (City and County of Honolulu, n.d.). Housing models that rely on shared facilities are therefore often classified and permitted as lodging or congregate uses rather than conventional dwelling units, which affects where and how they

can be approved. This approach is reinforced by statewide adoption of International Code Council model codes, with counties adopting and administering them locally (International Code Council, n.d.; State of Hawai'i, 2021). Requirements tied to occupancy classification can limit dense clustering of small detached units unless a site is permitted under the appropriate zoning and occupancy context. State leaders have described recent reforms as the most significant housing regulatory and zoning changes in more than forty years, reflecting how restrictive

prior frameworks were viewed (Associated Press, 2024). At the same time, need remains most acute at the lowest incomes, with state planning continuing to show substantial demand for units affordable at or below 30 percent of area median income (Hawai'i Housing Finance and Development Corporation, 2025). In this context, kauhale offers a community based typology positioned between emergency shelter and conventional affordable housing. It relies on compact private units and shared facilities, with the intent that community supports stabilization and affordability.



| HOUSING TYPE | PURPOSE | TYPICAL STRUCTURE | LENGTH OF STAY | FINANCING STRUCTURE |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| KAUHALE VILLAGE | Deeply affordable housing in a village setting that uses shared space and community norms as part of the model | Small detached units clustered around shared kitchens, bathrooms, and gathering space | Long-term, varies by site and operating model | Typically state capital and operating support plus nonprofit development and operations, often with private and in kind support |
| MEDICAL RESPITE, RECUPERATIVE CARE | Safe place to recover after hospital discharge with clinical coordination and supportive services when someone lacks stable housing | Congregate beds or modular units with shared hygiene plus space for medical and case management support | Short-term, commonly weeks to up to 90 days depending on program and payer rules | Health aligned funding when available plus public contracts and grants, model varies by state and provider |
| TRANSITIONAL / INTERIM HOUSING | Transitional/Interim housing with services intended to support move to permanent housing | Apartment style or dorm style housing, shared or private facilities depending on program | Time limited, generally up to 24 months, extensions allowed case by case, but programs can be penalized if most stays exceed 24 months | Commonly HUD Continuum of Care grants plus local and philanthropic sources, operated by nonprofits or government partners |
| PERMANENT SUPPORTIVE HOUSING | Permanent housing with supportive services for households with a disabling condition to support stability | Scattered site or site based apartments with space for services | Permanent | Often layered capital financing such as tax credits and subsidies plus long term rental assistance and service funding |
| EMERGENCY SHELTER, LOW BARRIER SHELTER | Immediate temporary shelter and basic services, often focused on safety and connection to housing pathways | Congregate sleeping space such as mats, cots, or bunks, shared hygiene and dining | Short-term | Public funding and service contracts are common, plus philanthropy in many systems |
| SINGLE ROOM OCCUPANCY, SRO | Lower cost rental housing with a private sleeping space and shared facilities | Private room with shared kitchen and/or shared bathroom | Typically permanent housing type, program rules vary by building | Ownership varies, can be private market or assisted housing, including voucher based assistance in some settings |
| ADAPTIVE REUSE HOUSING | Create permanent homes by converting existing buildings into housing units | Converted hotels, motels, offices, or similar buildings retrofitted into apartments | Permanent once converted | Acquisition and rehabilitation financed through a mix of subsidies, grants, debt, and mission capital depending on the deal |
| MISSING MIDDLE HOUSING | Increase small scale housing options between single family homes and large multifamily | Duplexes, triplexes, fourplexes, cottage courts, townhomes, small courtyard apartments | Permanent | Primarily private development, often enabled by zoning reform and local incentives |
| PUBLIC HOUSING, WORKFORCE HOUSING | Long term affordable rentals administered by public agencies or quasi public housing entities | Apartment or mid rise complexes with private units and centralized management | Federal, HUD via local PHAs | Public housing is publicly financed and administered, workforce housing is commonly mixed financing with public support and private or nonprofit delivery |



KAUHALE VILLAGE HOUSING UNITS

Hundreds of modular and tiny home options have been reviewed and assessed through the State's process. Over time, that evaluation has been narrowed to two primary housing product types that are used across kauhale projects and submitted to the State for review and approval.

Stick-built homes

STICK BUILT HOMES are constructed at HomeAid Hawaii's O'ahu baseyard, which centralizes production and improves consistency and quality control compared with fully on site builds.

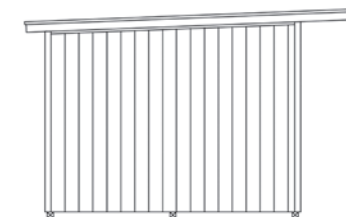
This approach relies on locally sourced unions and trades. Compared with importing prebuilt units, on island construction can reduce reliance on shipping finished structures, though overall cost outcomes still depend on design, production volume, staging, and site specific conditions.



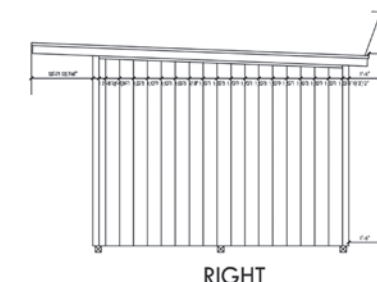
FRONT



REAR



LEFT



RIGHT

- **BUILT LOCALLY**

By licensed contractors and discounted union labor

- **96 SQ. FT.**

Approximate square feet per unit

- **\$16K - \$20K**

Average cost range, varying on supply and inflation

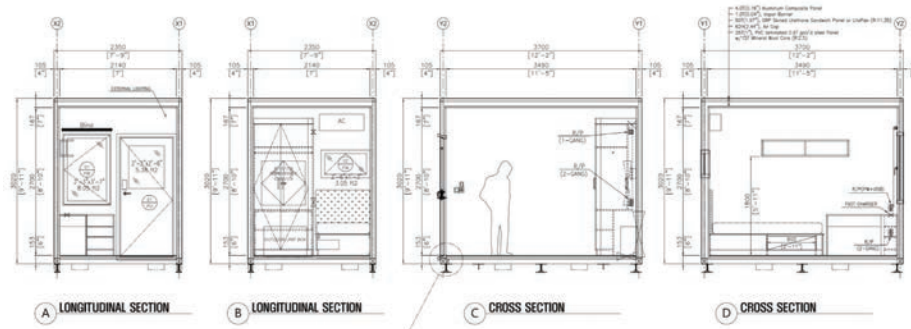
- **SIMPLE & SAFE**

Constructed with simple materials and layouts for efficiency and safety



Modular homes

PUBLIC OPINION varies on appearance, but selection is guided by safety, affordability, and function. Each product is intended to meet a minimum standard for stability while keeping costs low enough to preserve deep affordability without sacrificing basic quality and dignity.



- **MANUFACTURED IN KOREA**

Local labor delivers, assembles, installs, and connects components

- **84 SQ. FT.**

Approximate square feet per unit

- **\$20K**

Average cost per unit, excluding shipping

- **ADD-ONS**

Optional air conditioning available



GOVERNANCE

Kauhale governance is built around shared responsibility. Resident leadership and participation are intended to shape daily life, including safety, maintenance, and community norms. Service providers are meant to support that governance rather than replace it.

IN PRACTICE, governance varies by site based on the operator, the population served, and the site's purpose. Some sites use resident boards and regular community meetings, with staff support for follow through and accountability. Others rely on more provider led systems, especially where clinical, safety, or compliance needs require tighter oversight.

Some of this variation is structural. Sites that transition an existing community often establish norms and leadership faster than sites that onboard residents

individually through referrals or coordinated entry, where cohesion takes more time to build. This flexibility can support different use cases, but it also creates inconsistency in governance expectations, eligibility, and documentation.

As the program matures, meaningful comparison across sites will depend on minimum governance and operating standards that apply across providers while still allowing local adaptation. Priority areas include resident leadership structures and decision rights,

safety and maintenance protocols, community rules and enforcement, eligibility and placement pathways, rent contribution frameworks, and documentation. Shared tools such as a governance playbook, cultural guidance, and peer mentoring can improve alignment without imposing a single model.

Clear standards and consistent reporting would strengthen accountability and enable site to site comparison while preserving resident led intent.

POPULATIONS SERVED

Within Hawai'i's housing system, Continuum of Care programs are typically eligibility and acuity driven. Access to vouchers or permanent supportive housing often requires documentation and extended placement processes, and long waitlists can delay housing for people who are ready to stabilize but are not yet served through the CoC pipeline.



KAUHALE EMERGED in part to address this gap by serving residents who are excluded from, or poorly matched to, existing pathways. This includes people who are community ready but cannot secure housing through CoC processes, groups that want to transition together, and residents who prefer more autonomy than some intensive service models provide. The former Kaka'ako and Sand Island communities, for example, declined scattered placements and moved collectively into Ho'okahi Leo Kauhale in order to preserve established social networks.

In practice, kauhale sites have predominantly served people who were chronically homeless, alongside a mix of other subpopulations. This includes kūpuna, medically fragile individuals who need post hospital recovery support, and people with substance use related needs. Sites such as Pūlama Ola Kauhale and Alana Ola Pono Kauhale incorporate medical respite and behavioral health services for residents who might otherwise rely heavily on institutional or emergency care. Some sites also serve households at risk of homelessness, depending on local entry pathways and provider practice.

Overall, kauhale currently functions as a flexible intervention rather than a narrowly defined placement program. It serves people who fall between shelter, supportive housing, and the private rental market. Clearer eligibility and program standards could sharpen role definition, distinguish temporary versus long term use, and strengthen alignment with statewide housing strategy.



MOST KAUHALE VILLAGE SITES currently serve individuals and, in some cases, couples, which reflects unit size and the shared facility design. Other kauhale labeled projects that operate as shelters, bridge housing, or residential programs may serve families or children, depending on site purpose and configuration.

The Initiative is also expanding its unit mix to include one and two bedrooms units for families ready for independent living in a supportive community.





| SUBPOPULATION | PRIMARY NEED | SYSTEM GAP OR BARRIER |
|----------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| SUBSTANCE USE | Recovery support and stability | Screening and program rules can limit access, and outcomes weaken without integrated supports |
| WOMEN | Safety and trauma support | Mixed settings may not meet safety needs or provide gender responsive services |
| NATIVE HAWAIIAN AND OTHER INDIGENOUS PEOPLE | Cultural reconnection and belonging | Disconnection from culturally safe services and cultural networks in mainstream systems |
| FORMERLY INCARCERATED | Reentry stability and support | Criminal record barriers, limited reentry coordination, landlord screening and employment instability |
| MENTAL ILLNESS | High-intensity behavioral health support | Service needs exceed low intensity programs, limited capacity for 24/7 response in many settings |
| BEHAVIORAL HEALTH NEEDS | Stabilization and care coordination | Fragmented systems and inconsistent engagement across providers and settings |
| MEDICAL FRAGILITY AND POST HOSPITAL RECOVERY | Health stabilization | Discharge to homelessness, lack of recuperative settings, difficulty managing care while unhoused |
| KŪPUNA | Stability and health support | High vulnerability, isolation, difficulty navigating complex systems, limited accessibility options |
| YOUTH AND YOUNG ADULTS | Stability plus education and employment pathways | Limited income, limited rental history, weak support networks, gaps for transition age youth |
| FAMILIES WITH CHILDREN | Safety and family stability | Need for privacy and child appropriate settings, limited family capacity, barriers to rapid placement |
| CHRONICALLY HOMELESS | Long-term stability with sustained support | High acuity and long histories of homelessness, limited PSH supply and long waits, repeated cycling through crisis systems |
| AT RISK OF HOMELESSNESS | Prevention and housing stabilization | Often ineligible for homelessness targeted resources until crisis, rent gaps and short-term financial shocks, limited flexible prevention assistance |

Assessing Need

Assessing the need for the Kauhale Initiative begins with the baseline: what capacity already exists and what indicators suggest persistent demand. Hawai'i's housing and homelessness system includes shelters, vouchers, and permanent housing, yet available inventory remains insufficient relative to need. This section summarizes current kauhale related inventory, the scale and limits of homelessness measurement, downstream public system pressures associated with unsheltered homelessness, and the depth of the housing gap at the lowest incomes. It also notes federal policy shifts that may increase housing instability risk for households already near crisis.

Inventory

AS OF NOVEMBER 25, 2025, the table below summarizes both active and past Kauhale Initiative contracts, including unit counts and services provided. Projects delivered in a kauhale tiny home village style format are highlighted in orange with the kauhale logo.

| PROJECT NAME | PROJECT OPERATOR | # BEDS | TARGET POPULATION | ISLAND |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------|------------------------------------|--------|
|  PŪLAMA OLA KAUAHALE (CLOSED) | Project Vision Hawai'i | 12 | Medically fragile adults | O'ahu |
|  KAMA'OKŪ KAUAHALE | U.S. Veterans Initiative | 36 | Veterans | O'ahu |
|  KA MALU KO'OLAU KAUAHALE | Project Vision Hawai'i | 33 | Adults | O'ahu |
|  HO'OKAHI LEO KAUAHALE | Hawai'i Health & Harm Reduction Center | 50 | Adults | O'ahu |
| PAE PAE HOU | The Institute for Human Services | 12 | Adults in substance abuse recovery | O'ahu |
| HALE 'IMI OLA (WAIKĪKĪ VISTA) | City & County of Honolulu, Catholic Charities Hawai'i | 120 | Families | O'ahu |
| VILLAGE OF REDEMPTION 1 AND 2 | The Institute for Human Services | 47 | Formerly incarcerated adults | O'ahu |
| FERNHURST | Young Women's Christian Association | 32 | Formerly incarcerated women | O'ahu |

| PROJECT NAME | PROJECT OPERATOR | # BEDS | TARGET POPULATION | ISLAND |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------|--------------------------------------------------|---------|
|  'A'ALA MEDICAL RESPITE | City & County of Honolulu, Premier Medical Group | 62 | Medically fragile adults | O'ahu |
| HILO OVERNIGHT COT SLEEPING PROGRAM | County of Hawai'i, The Salvation Army | 50 | Adults | Hawai'i |
|  ALANA OLA PONO | The Institute for Human Services | 45 | Adults | O'ahu |
| KŪLIA I KA NU'U | U.S. Veterans Initiative | 19 | Veterans | O'ahu |
| WIWO'OLE BRIDGE PROGRAM | Young Women's Christian Association | 18 | Survivors of domestic violence | Kaua'i |
| KUMU OLA HOU | The Institute for Human Services | 50 | Adults with mental health needs; employed adults | O'ahu |
| MAUI CENTRAL - KUPUNA | Mental Health Kokua | 10 | Kūpuna with serious mental illness | Maui |
| MAUI VINEYARD | Mental Health Kokua | 16 | Adults with serious mental illness | Maui |
| KAUAHALE 'ŌPIO | Mental Health Kokua | 16 | Young adults | O'ahu |
| HUI MAHI'AI 'ĀINA | Hui Mahi'ai 'Āina | 57 | Adults; families | O'ahu |
| KINO'OLE YOUTH KAUAHALE | HOPE Services Hawai'i | 22 | Young adults | Hawai'i |
| HALE ULA LEHUA | HOPE Services Hawai'i | 10 | Kūpuna | Hawai'i |
| MHK IWILEI KAUAHALE | Mental Health Kokua | 50 | Adults with serious mental illness | O'ahu |
|  KĪPŪOLA KAUAHALE | Kauhale Management Services | 64 | Employed adults | Maui |
| PŪNĀWAI MEDICAL RESPITE | Kalihi-Palama Health Center/H4 | 20 | Medically fragile adults | O'ahu |
| LĒ'AHĪ BEHAVIORAL HEALTH | North Shore Mental Health | 19 | Adults with mental health needs | O'ahu |
| PU'UHONUA O NĒNĒ (CLOSED) | Kauhale Management Services, LLC | 60 | Adults; Maui Wildfire survivors | Maui |
|  WAIMĀNALO KAUAHALE (PENDING) | Alternative Structures International (ASI) | 20 | Adults | O'ahu |

HOMELESSNESS

From a homelessness baseline, Hawai'i continues to report among the highest per capita rates nationally. The 2024 statewide Point in Time count conducted by Bridging the Gap and Partners in Care identified approximately 6,223 people experiencing homelessness on a single night, with roughly 60 percent on O'ahu and the remainder on the neighbor islands. About half were unsheltered, living in parks, beaches, vehicles, or other public spaces. The 2025 Point in Time count was deferred to 2026.

2024 Point in Time Count (PIT)

- On O'ahu, the count is conducted by **Partners in Care**
- For Maui, Kaua'i, and Hawai'i Island, the count is conducted by **Bridging the Gap**

WHILE THE POINT IN TIME count is the most widely used measure of homelessness, it captures only one day in time. It surveys people on a single night each year, so it can miss many people living in unstable situations. Civil Beat columnist Neal Milner describes this group as the "hidden homeless," including people staying with relatives, moving between temporary places, or quietly struggling to keep housing. He has suggested Hawai'i's true number of unhoused or housing

insecure residents could be closer to 30,000. The Point in Time count also does not fully reflect all four HUD categories of homelessness, including people at imminent risk of losing housing. This overlaps with Hawai'i's large ALICE population, meaning Asset Limited, Income Constrained, and Employed. ALICE households earn above the poverty line but still cannot afford Hawai'i's cost of living, and many live one paycheck away from crisis.

If need is framed only through the Point in Time lens, the Kauhale Initiative can appear to address a limited share of the problem. A broader view recognizes that kauhale can also function as a option for people who sit at the margin of homelessness, including those not counted on a single night. For that reason, homelessness counts are best considered alongside public costs, the size of the at-risk population, and the housing gap that drives instability.

ALICE
Asset Limited, Income
Constrained, Employed

Public system costs of homelessness

UNSHeltered HOMELESSNESS creates measurable pressure on public systems, especially health care, emergency response, and enforcement. Emergency departments often become the default access point for medically vulnerable people who lack safe places to recover, which can contribute to repeat visits and longer stays (Terrell, 2023). A 2016 analysis reported that The Queen's Medical Center provided care to homeless patients 10,126 times in 2015, producing an estimated \$89.3

million in gross charges (Honolulu Star-Advertiser, 2016). Gross charges are not the same as net costs or public spending, but the estimate illustrates the scale of utilization that hospitals and taxpayers absorb when people cycle through crisis care rather than stabilizing in appropriate outpatient settings (Honolulu Star-Advertiser, 2016).

Public costs also show up in emergency transport and behavioral health response. State legislative findings describe

homeless individuals with behavioral health conditions as high users of emergency departments, with significant costs tied to ambulance transport and emergency mental health evaluations (Hawai'i State Legislature, 2025). Enforcement responses can also be material. A Hawai'i ACLU analysis cites prior reporting that O'ahu sweeps were estimated at about \$15,000 per day and at least \$4.8 million in sweep related costs in 2020 using a conservative methodology (ACLU of Hawai'i, 2021).

AT RISK OF HOMELESSNESS

IN JULY 2025, Congress enacted Public Law 119 21, the One Big Beautiful Bill Act of 2025. The law includes SNAP provisions that change benefit and administrative rules, including elements tied to Thrifty Food Plan updates and work requirement policy (Congress.gov, 2025; Aussenberg, 2025). The Congressional Research Service has described these provisions as expected to reduce federal SNAP spending and change how benefits and administrative costs operate (Aussenberg, 2025).

These changes matter in Hawai'i because SNAP reaches a large share of residents. \$732.47 million in SNAP benefits was issued to roughly 161,600 recipients in Hawai'i in 2024. (Center on Budget and Policy Priorities, 2025; USAFacts, 2024).

Changes that reduce eligibility or increase administrative friction can affect household stability at scale, even if the impacts vary by household.

Medicaid policy shifts are also relevant because Medicaid is a primary source of health coverage for low income residents and a major support for people with complex health needs. In Hawai'i, federal funding accounts for 73 percent of total Medicaid spending (Kaiser Family Foundation, 2025a). Reporting and policy summaries describe Medicaid provisions in the 2025 reconciliation law that may increase administrative burden and contribute to coverage churn, depending on implementation and exemptions (Associated Press, 2025; Kaiser Family Foundation, 2025b).

Separately, the Administration's FY 2026 budget request proposed major changes to HUD assistance, including consolidating homeless assistance within an expanded Emergency Solutions Grants framework and eliminating the Continuum of Care program as a standalone account (Falk, 2025; U.S. Department of Housing and Urban Development, 2025). Budget requests are not final until enacted, but they signal the direction and scale of potential system changes (Falk, 2025).

Together, these shifts increase downside risk for households closest to the margin. If food assistance tightens, health coverage becomes less stable, or rental assistance declines, more low

income households may have to redirect scarce income away from rent to cover basic needs. That increases the likelihood of deeper housing insecurity and growth in the population needing the deepest affordability, including rents from \$150 to \$700 per month. The magnitude in Hawai'i cannot be inferred from federal policy text alone because it depends on implementation and mitigation, but given Hawai'i's large SNAP and Medicaid footprint and the existing shortage of deeply affordable units, the directional risk is increased demand for deeply affordable housing and added pressure on homelessness response systems (Aussenberg, 2025; Falk, 2025; Kaiser Family Foundation, 2025a).

Housing Gap

From a housing baseline, statewide need remains substantial and continues to exceed available supply across income levels. The 2024 Hawai'i Housing Planning Study shows the largest shortfalls at the deepest affordability bands. Households at 30 percent of area median income or below account for a statewide need of 17,242 units (Hawai'i Housing Finance and Development Corporation, 2024, Table 39). Households between 30 and 60 percent AMI account for an additional need of 15,755 units, calculated as 30 to 50 percent AMI (11,166) plus 50 to 60 percent AMI (4,589) in Table 39 (Hawai'i Housing Finance and Development Corporation, 2024, Table 39). **Together, these figures indicate that the most pronounced shortage is concentrated among residents with the least ability to absorb Hawai'i's housing costs.**

ACROSS THE ISLANDS, the pattern is consistent. On Maui, need below 60 percent AMI exceeds 6,000 units, and on Hawai'i Island it exceeds 9,000 units. These gaps represent families, kūpuna, and essential workers who sustain their communities but face limited access to homes priced within their means.

| AMI RANGE | OWNED | RENTALS | TOTAL NEEDED |
|--------------|-------|---------|--------------|
| < 30% | 4,808 | 12,435 | 17,242 |
| 30% TO 60% | 5,714 | 10,040 | 15,755 |
| 60% TO 80% | 5,863 | 3,240 | 9,103 |
| 80% TO 120% | 5,196 | 3,351 | 8,547 |
| 120% TO 140% | 3,059 | 1,337 | 4,396 |
| 140% TO 180% | 2,660 | 1,686 | 4,346 |

MAUI

| AMI RANGE | OWNED | RENTALS | TOTAL NEEDED |
|--------------|-------|---------|--------------|
| < 30% | 890 | 2,239 | 3,129 |
| 30% TO 60% | 964 | 2,308 | 3,272 |
| 60% TO 80% | 1,084 | 811 | 1,895 |
| 80% TO 120% | 914 | 649 | 1,563 |
| 120% TO 140% | 922 | 286 | 1,208 |
| 140% TO 180% | 984 | 488 | 1,472 |

HAWAI'I ISLAND

| AMI RANGE | OWNED | RENTALS | TOTAL NEEDED |
|--------------|-------|---------|--------------|
| < 30% | 1,928 | 3,395 | 5,323 |
| 30% TO 60% | 1,708 | 2,662 | 4,371 |
| 60% TO 80% | 1,562 | 614 | 2,176 |
| 80% TO 120% | 1,664 | 900 | 2,564 |
| 120% TO 140% | 974 | 487 | 1,461 |
| 140% TO 180% | 520 | 222 | 742 |

A SEPARATE ANALYSIS by the National Low Income Housing Coalition helps quantify the depth of the affordability gap. It reports that Hawai'i has 40,629 extremely low income renter households and 14,998 rental homes that are both affordable and available to that income group, implying a deficit of 25,631 units for extremely low income renters. (National Low Income Housing Coalition, 2023)

40,629
EXTREMELY LOW INCOME
RENTER HOUSEHOLDS



These figures describe the scale of unmet need, not the effectiveness of any single intervention. Hawai'i's homelessness response and its housing supply challenge overlap, but they are not identical problems. Homelessness reflects immediate displacement and system access, while the housing gap reflects a longer term shortage of units priced at the deepest affordability levels.

COST BURDEN AT THE DEEPEST INCOMES

AT THE DEEPEST affordability levels, housing instability risk is reinforced by severe rent burden. In Hawai'i, an estimated 65 percent of extremely low income households, defined as at or below 30 percent of area median income, spend more than half of their income on housing costs (Habitat for Humanity, 2024). This level of

rent burden leaves little room to absorb routine shocks such as medical bills, job disruptions, or family emergencies, and it increases the likelihood of displacement or entry into homelessness.

Need is reflected across multiple indicators. Point in Time data shows continued unsheltered homelessness. Housing gap estimates

indicate a large shortfall for very low income households. Rent burden data suggests many extremely low income households lack the financial cushion to stay housed when circumstances change. Public system cost data illustrates downstream impacts when homelessness is prolonged, and recent federal policy shifts may increase instability for

households already near the margin.

Within this context, the Kauhale Initiative can be assessed as one component of a broader response, with evaluation focused on scale, cost, operating consistency, and measurable resident outcomes.

CONTINUUM OF CARE / HOUSING COMPARISON

PROGRAMS

TYOLOGIES

TENURE

| | CRISIS RESPONSE | DEEP AFFORDABILITY | LOW-INCOME | MODERATE | WORKFORCE | MARKET |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>EMERGENCY SHELTER PROGRAM Short-term stays in congregate or non-congregate shelters [Federal: HUD ESG / State / County contracts]</p> <p>SAFE HAVEN low-barrier shelter for hard-to-serve individuals [Federal: HUD CoC]</p> <p>TRANSITIONAL HOUSING time-limited housing (up to 24 months) with services [Federal: HUD CoC / local nonprofits]</p> <p>DISASTER RECOVERY HOUSING Temporary post-disaster shelters [State + County funded]</p> <p>'OHANA ZONES State of Hawai'i special appropriations for pilot housing and services, some time-limited [State]</p> | <p>PERMANENT SUPPORTIVE HOUSING Long-term rental subsidy + wraparound services for chronically homeless individuals. [Federal: HUD Continuum of Care]</p> <p>RAPID REHOUSING Short- to medium-term rental subsidies with case management; intended as a bridge to permanent housing. [Federal: HUD CoC / ESG]</p> <p>HOUSING FIRST Scattered-site rental subsidies with services; non-time-limited. Hawai'i operates its own program statewide. [State: Hawai'i contracts; delivered by local providers]</p> <p>HUD-VASH VOUCHERS Permanent housing vouchers with services for veterans experiencing homelessness. [Federal: HUD + Veterans Affairs]</p> <p>SECTION 8 / HOUSING CHOICE VOUCHERS Tenant-based rental vouchers with preference for Extremely Low-Income households. [Federal: HUD; administered locally by HPHA]</p> <p>PUBLIC HOUSING State-operated, federally funded apartments serving ELI and VLI households. [State-operated, federally funded]</p> <p>KAUHALE INITIATIVE Values-based, village-style permanent housing model with clustered micro-homes and community supports; uniquely Hawai'i-grown. [Local model; typically State/County-enabled with braided funding]</p> | <p>LOW-INCOME HOUSING TAX CREDIT (LIHTC) Primary financing tool for producing affordable rental housing in this band. [Federal IRS program; allocated by HHFDC at State level]</p> <p>HOME INVESTMENT PARTNERSHIPS Flexible block grant funds used for affordable rental development. [Federal HUD; administered by State and Counties]</p> <p>PROJECT-BASED SECTION 8 VOUCHERS Rental subsidies tied directly to specific affordable housing units. [Federal HUD]</p> <p>HPHA PUBLIC HOUSING State-managed public housing complexes; some target families in the 30–60% AMI range, especially older properties. [State-operated, federally funded]</p> <p>NONPROFIT AFFORDABLE HOUSING PROGRAMS Affordable projects developed by nonprofits (e.g., EAH, Mutual Housing, Habitat for Humanity Hawai'i). [Local/State-supported]</p> <p>RENTAL HOUSING REVOLVING FUND State capital fund supporting rental projects affordable up to 60% AMI. [State: HHFDC]</p> | <p>LOW-INCOME HOUSING TAX CREDIT (LIHTC) Primary financing tool for affordable rentals; some units can be targeted up to 80% AMI. [Federal IRS program; allocated by HHFDC]</p> <p>HOME INVESTMENT PARTNERSHIPS (HOME) Flexible block grant funds that can support units affordable to 80% AMI. [Federal HUD; administered by State and Counties]</p> <p>RENTAL HOUSING REVOLVING FUND (RHRF) State capital fund that can finance rental housing affordable to ≤80% AMI. [State: HHFDC]</p> <p>CITY/COUNTY INCLUSIONARY ZONING (IZ) Mandated affordable set-asides in private developments; some IZ units fall into the 60–80% AMI band. [City/County ordinances]</p> <p>NONPROFIT AFFORDABLE HOUSING PROGRAMS Projects by nonprofits (e.g., EAH, Mutual Housing, Habitat) that may serve households up to 80% AMI. [Local/State-supported]</p> | <p>WORKFORCE HOUSING PROGRAMS Mandated set-asides for moderate-income households. HCDA (Kaka'ako): Requires ownership units affordable to 80–140% AMI and rental units affordable to ≤100% AMI. [State statute: HRS §206E; HCDA rules] Honolulu Inclusionary Zoning: Requires affordable set-asides in new developments via unilateral agreements. [City ordinance]</p> <p>EMPLOYER-ASSISTED HOUSING Employer-provided or subsidized housing, occasionally offered by large institutions such as hospitals or universities. [Local; rare in Hawai'i]</p> <p>SHARED EQUITY / BELOW MARKET RATE (BMR) PROGRAMS Homeownership programs with resale restrictions to maintain long-term affordability. [City/State]</p> <p>RENTAL HOUSING REVOLVING FUND (RHRF) State capital fund for affordable rentals; sometimes stretched to finance units up to 80–100% AMI. [State: HHFDC]</p> | <p>Market-rate apartments and condominiums (e.g., new Kaka'ako towers). Single-family homes (new subdivisions, resale housing stock). Luxury subdivisions (gated communities, golf course developments). High-rise condos (many purchased by investors, offshore buyers). Rental — market rents with no affordability restrictions. Ownership — market-priced sales, no income qualifications, unrestricted resale.</p> |
| | <p>Congregate shelters (large halls, dormitory-style) Non-congregate shelters (converted hotels, modular units, safe-haven rooms) Tiny home shelters / huts (short-term, service-linked) Converted facilities (churches, gyms, warehouses adapted as shelters) Medical Respite Housing</p> | <p>Apartments and condominiums (often in mixed-income developments) Townhomes / rowhouses 'Ohana units / ADUs (when priced to serve moderate-income families) Mixed-use housing developments (residential over retail, common in urban Honolulu/Kaka'ako) Middle housing typologies (duplexes, triplexes, fourplexes, cottage clusters) Modular Housing</p> | <p>Affordable apartments (multi-family developments, typically LIHTC-financed) Duplexes / triplexes / fourplexes Public housing complexes (HPHA) serving low-income families Nonprofit-owned rental projects Modular Housing</p> | <p>Apartments and condominiums (often in mixed-income developments) Townhomes / rowhouses 'Ohana units / ADUs (when priced to serve moderate-income families) Mixed-use housing developments (residential over retail, common in urban Honolulu/Kaka'ako) Middle housing typologies (duplexes, triplexes, fourplexes, cottage clusters) Modular Housing</p> | <p>Apartments and condominiums (workforce set-asides, HCDA or IZ) Townhomes / rowhouses (popular for ownership at this rung) 'Ohana units / ADUs (when regulated to serve workforce households) Mixed-use housing developments (urban Honolulu/Kaka'ako) Middle housing forms Modular housing</p> | |
| | <p>Temporary, non-lease (no standard tenancy rights, usually service contracts) Program-limited occupancy (stays linked to program eligibility, not tenant rights)</p> | <p>Rental (typically regulated for 30–60 years under workforce housing requirements). Ownership (delivered as condominiums or townhomes with resale restrictions; buyers must meet AMI eligibility at purchase and, in some programs, at resale).</p> | <p>Permanent rental — with affordability restrictions (15–60 years depending on financing). Typically lease-based with tenant rights, unlike temporary programs in Rung 1.</p> | <p>Rental (typically regulated for 30–60 years under workforce housing requirements). Ownership (with resale restrictions — buyers must meet AMI eligibility at purchase and sometimes at resale).</p> | <p>Rental (typically regulated for 30–60 years under workforce housing requirements). Ownership (delivered as condominiums or townhomes with resale restrictions; buyers must meet AMI eligibility at purchase and, in some programs, at resale).</p> | |

KAUHALE VILLAGES
Spans from 0% AMI up to missing middle housing. Upgraded villages offer alternatives for Hawai'i's workforce.



Performance



PROGRAM AND SCALE

Under the current administration, the State reports that 24 Kauhale Initiative projects have been delivered, with Weinberg Village in Waimānalo expected to open in early 2026 as the 25th site. This project count reflects the Kauhale Initiative umbrella, which includes multiple housing typologies supported through SOHHS. It is not a measure of total Continuum of Care inventory statewide.

ACROSS THOSE SOHHS supported projects, the State reports 918 beds created statewide. Beds are defined as sleeping capacity based on sleeping spaces. This figure describes capacity developed through the Kauhale Initiative and should not be read as total shelter or housing capacity across Hawai'i's broader homelessness response system.

The State also reports 1,983 individuals served as of September 30, 2025, reflecting cumulative people housed through Kauhale Initiative projects through that reporting date. Preliminary updates as of November 2025 suggest the cumulative number served likely exceeded 2,000, though final totals depend on the reporting cutoff and the data validation applied.

These scale measures should be read in the context of state reporting conventions. Totals can vary across state sources depending on timing, project phasing, and whether counts are presented at the Initiative level or broken out by typology and operator.

24

KAUHALE PROJECTS DELIVERED

918

BEDS CREATED

2K+

INDIVIDUALS SERVED

STATISTICS CALCULATED BY 2025





SAVINGS

System savings show up in two distinct places: **construction costs and downstream public system avoidance costs.**

Construction

ON THE CONSTRUCTION SIDE, HomeAid Hawai'i delivered an estimated \$44 million in development cost savings across projects within the Kauhale Initiative by using an emergency delivery approach that reduces soft costs, applies disciplined value engineering, and leverages donated labor, donated materials, philanthropy and in kind gifts, volunteer support, donated land, and bulk or prefabricated purchasing.

\$44M

ESTIMATED SAVINGS IN DEVELOPMENT COSTS ACROSS KAUHALE INITIATIVE PROJECTS USING EMERGENCY DELIVERY APPROACH

Investment

Over the past five years, the State of Hawai'i has made a significant financial commitment to emergency and interim housing solutions. This investment spans multiple programs, funding sources, and geographies. While often discussed collectively as "Kauhale funding," the total allocation supports a broader housing response that includes Kauhale villages, 'Ohana Zones, ARPA funded developments, and Maui wildfire recovery.

Total State Investment — Across all related initiatives, the State has:

- Encumbered approximately \$106 million across 25 projects
- Planned an additional \$82 million over the current biennium
- Invested approximately \$188 million over a five year period

THIS TOTAL REFLECTS combined development and operations funding across multiple housing strategies, not exclusively the Kauhale Initiative.

When isolating the portion of State funding attributable to the Kauhale Initiative, the total investment is approximately \$127.8 million over the same five year period. This figure reflects combined development and operations funding for Kauhale villages and related program costs funded by the State across FY24 through FY26+. In context, the Kauhale Initiative represents approximately 68 percent of the State's total \$188 million investment in emergency housing related programs.

| TRADITIONAL AFFORDABLE RENTALS | METRIC | KAUHALE DELIVERY APPROACH |
|--------------------------------|---------------------------------------------------------------|------------------------------------------------|
| Approximately \$205 to \$455 | COST PER SQ FT INCLUDING SITEWORK & INFRASTRUCTURE | Approximately \$78-\$126 Up to 72% less |
| Approximately 18 to 30 months | TYPICAL DELIVERY TIMELINE | Approximately 3 to 6 months Up to 6x faster |



HO'OKAHI LEO KAUHALE and Alana Ola Pono Kauhale illustrate how construction approach can affect cost. So far, Ho'okahi Leo Kauhale was delivered at about \$80 per square foot, with about \$15.6 million in documented savings. Alana Ola Pono Kauhale cost about \$7.2 million, compared with an estimated \$22 million private market equivalent. In project records,

these differences are attributed to accelerated delivery, shared infrastructure, donated labor and materials, and value engineering, community volunteers. By contrast, conventional affordable rental development typically requires full unit buildouts, longer procurement and financing cycles, and broader compliance processes that increase cost and extend schedules.



APPROACH

HomeAid Hawai'i's approach to building *kauhale* is grounded in our core model, how we deliver each project, and the systems that sustain the work.



PUBLIC AVOIDANCE

ON THE PUBLIC SYSTEM SIDE, the State reports an estimated \$27.5 million or more in annual avoided costs across Medicaid and emergency care, the courts, and public safety. This figure reflects expected reductions in high cost service use associated with housing instability, informed by established supportive housing and homelessness intervention research. Community First oriented housing models are commonly evaluated through this public cost lens, and the State's estimate aligns with findings reported across

the literature. Studies frequently estimate avoided public service costs in the range of approximately \$15,000 to \$35,000 per person per year, with reported returns often exceeding \$1.50 for every \$1.00 invested. These outcomes are driven primarily by reductions in emergency medical utilization, crisis response, shelter use, and justice system involvement (Gillespie et al., 2021; Hunter et al., 2022). These figures reflect observed reductions in high cost service use documented through commonly used evaluation

methods in supportive housing research. While outcomes vary by population and implementation, findings consistently demonstrate meaningful reductions in emergency, crisis, and justice system utilization across studies. Beyond near term system impacts, Community First initiatives may generate additional value over longer time horizons, including improved health outcomes and strengthened social capital that are not easily captured as immediate budget savings (Congdon et al., 2020; ODPHP, 2025).

These figures are provided as examples to illustrate how HomeAid Hawai'i tracks impact. For actual data, please visit HomeAidHawaii.org/dashboard.

How impact is measured

\$148M+ IN CONSTRUCTION SAVINGS GENERATED SINCE 2015

HOMEAID HAWAII'S MODEL is designed to deliver deeply affordable housing quickly and cost effectively by aligning public and private resources. The approach reduces construction costs through a combination of volunteer labor, builder and material discounts, and disciplined value engineering. It also leverages land contributions, philanthropic donations and grants, and efficiencies enabled through emergency proclamations. Together, these elements allow projects to be delivered at a lower cost and faster timeline than traditional development methods, while maintaining quality and scalability across sites.

- VOLUNTEER LABOR
- MATERIAL DISCOUNTS
- VALUE ENGINEERING
- LAND CONTRIBUTIONS
- DONATIONS AND GRANTS
- POLICY SAVINGS

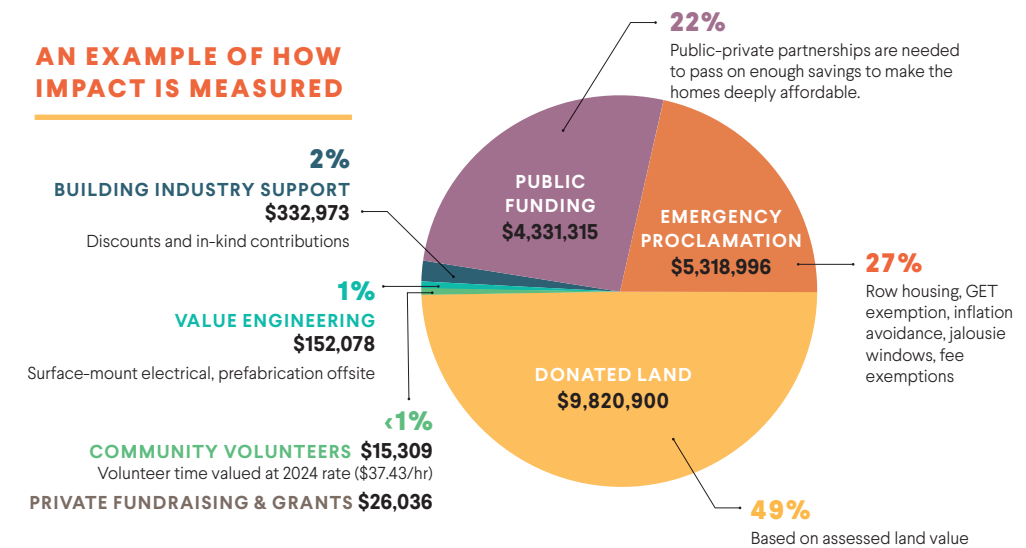
VALUE ENGINEERING

DESIGN AND CONSTRUCTION are optimized to reduce cost and accelerate delivery while maintaining quality. Examples include using surface swales instead of underground drainage, overhead utilities instead of underground systems, and working with the land's natural contours to minimize excavation.

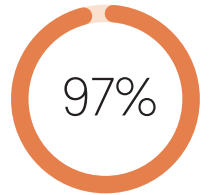
POLICY SAVINGS

EMERGENCY PROCLAMATIONS reduce costs and accelerate delivery by allowing temporary measures and streamlined processes. Examples include exemptions from the general excise tax, expedited permitting timelines, and the use of simpler infrastructure solutions such as swales in place of curbs and gutters.

AN EXAMPLE OF HOW IMPACT IS MEASURED



WE ALSO TRACK VENDOR PARTICIPATION



- Local Vendors (57)
- Other (2)

TRUE COST OF DEVELOPMENT

The true cost of development reflects what projects would cost under conventional delivery without HomeAid Hawai'i's model. The difference between this baseline and the actual project cost represents the savings generated through the model.

ADDITIONAL METRICS

We track each project's construction costs and savings per square foot, along with the cost per tiny home unit.

\$24.72 /SQ. FT.
Vertical construction

\$16.12 /SQ. FT.
Horizontal construction

\$40.84 /SQ. FT.
Total blended

\$15.02 /SQ. FT.
Total savings



\$19,610
COST PER UNIT

These figures are provided as examples. For actual data, please visit HomeAidHawaii.org/dashboard.



HOW VENDORS ARE SELECTED

PROCUREMENT IS TRACKED through a vendor level system that shows who each company is, what work they perform, and how they contribute across projects. HomeAid Hawai'i tracks basic vendor information, scope of work, whether a vendor is union or local, and how many projects they have supported within

the portfolio, helping build a clear picture of experience and reliability over time.

The tracker also identifies which companies are resource partners, including vendors willing to donate labor, materials, discounts, or other support. This helps distinguish standard procurement from

value capture opportunities and shows how private sector participation is being leveraged to reduce costs and expand impact across multiple projects.

Compliance information is tracked alongside procurement activity, including federal tax classification, GET

license number, G37 eligibility, contractor or trade license, and whether the vendor has a COI, or certificate of insurance. These fields ensure vendors are properly documented, qualified, and ready to participate, while maintaining consistency and accountability across the system.

Resource partners are companies that contribute discounted or donated labor, materials, or services, prioritized based on capacity, experience, and speed. Cost reasonableness reviews show their contributions come in below market rates.



HOMEAID HAWAII operates within a defined delivery structure, working alongside a contracted construction project management firm that oversees day to day execution, while HomeAid Hawai'i is not the general contractor. An internal field manager works in parallel with the project management team to ensure alignment, responsiveness, and quality across all sites.

WEEKLY OAC MEETINGS

Weekly OAC (Owner, Architect, Contractor) meetings serve as the central coordination point for each project, bringing together HomeAid Hawai'i, State partners, design teams, contractors, and key stakeholders. More structured than traditional project meetings, they follow a consistent format covering schedule, construction progress, procurement, budget, safety, and design coordination, with clear action items tracked weekly.

Meeting minutes and weekly progress reports are documented and distributed to maintain transparency, accountability, and real time visibility into project performance.

EVOLUTION OF DELIVERY

HomeAid Hawai'i has tested and refined multiple delivery structures to determine the most effective approach for speed, cost efficiency, and scale. The organization was initially designed as a lean nonprofit model, leveraging board leadership, national expertise, and specialized contract partners rather than relying on a large in-house staff. As projects expanded in scale and complexity, this model evolved to include dedicated in-house staff to strengthen coordination, oversight, and execution. Today, HomeAid Hawai'i combines internal capacity with external expertise, maintaining flexibility while improving consistency and delivery across projects.

Internal controls

The table below summarizes key internal controls and practices used across HomeAid Hawai'i's projects, reflecting how financial oversight, procurement, and project delivery are managed. **SUBJECT TO CHANGE.**

| CONTROL AREA | DESCRIPTION |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BOARD OVERSIGHT | 17 active board members, including 13 construction industry leaders, provide hands on quarterly oversight of budgets and contracts |
| POLICIES & PROCEDURES | 30+ active Standard Operating Procedures (SOPs) across operations, finance, HR, governance, and information systems |
| RISK ASSESSMENT | Annual risk assessments supported with 2 layers of external oversight including an accounting consultant and independent audits, plus periodic snapshot reviews to detect and prevent fraud. |
| SEGREGATION OF DUTIES | Segregation of duties across authorization, custody, and recordkeeping |
| BUDGET MONITORING | Monthly review of actual expenses against approved budgets, supporting a 99.6% transaction accuracy rate across ~24,750 transactions from 2023 to 2025. |
| GRANT ACCOUNTING | Separate accounting classes maintained for each grant-funded project |
| CASH DISBURSEMENTS | Dual approvals required for disbursements with supporting documentation retained |
| BANK RECONCILIATION | Independent monthly bank reconciliations to verify financial accuracy |
| PROJECT TRACKING | Project tracking includes weekly reports, weekly meetings with minutes, a budget tracker, progress photos, site plans, and milestone tracking, managed by 2 internal staff leads and 2 contractor leads. |
| CHANGE ORDER CONTROL | Change orders are discussed in weekly OAC meetings, formally submitted for team review, reviewed and approved by the State, and documented and filed for recordkeeping. |
| INSPECTION & QUALITY CONTROL | Third-party inspections are conducted for quality control, including a review of Kauhale projects to identify gaps between traditional building code and emergency proclamation development. |
| PROGRESS PAYMENTS | Payments issued based on milestone completion with retainage held |
| ACCESS CONTROLS | System access restricted based on defined user roles. |
| BACKUPS & CYBERSECURITY | Enhanced security measures protect banking and internal systems, supported by ongoing cybersecurity training and a Simulated Threat Testing Program to identify vulnerabilities. |

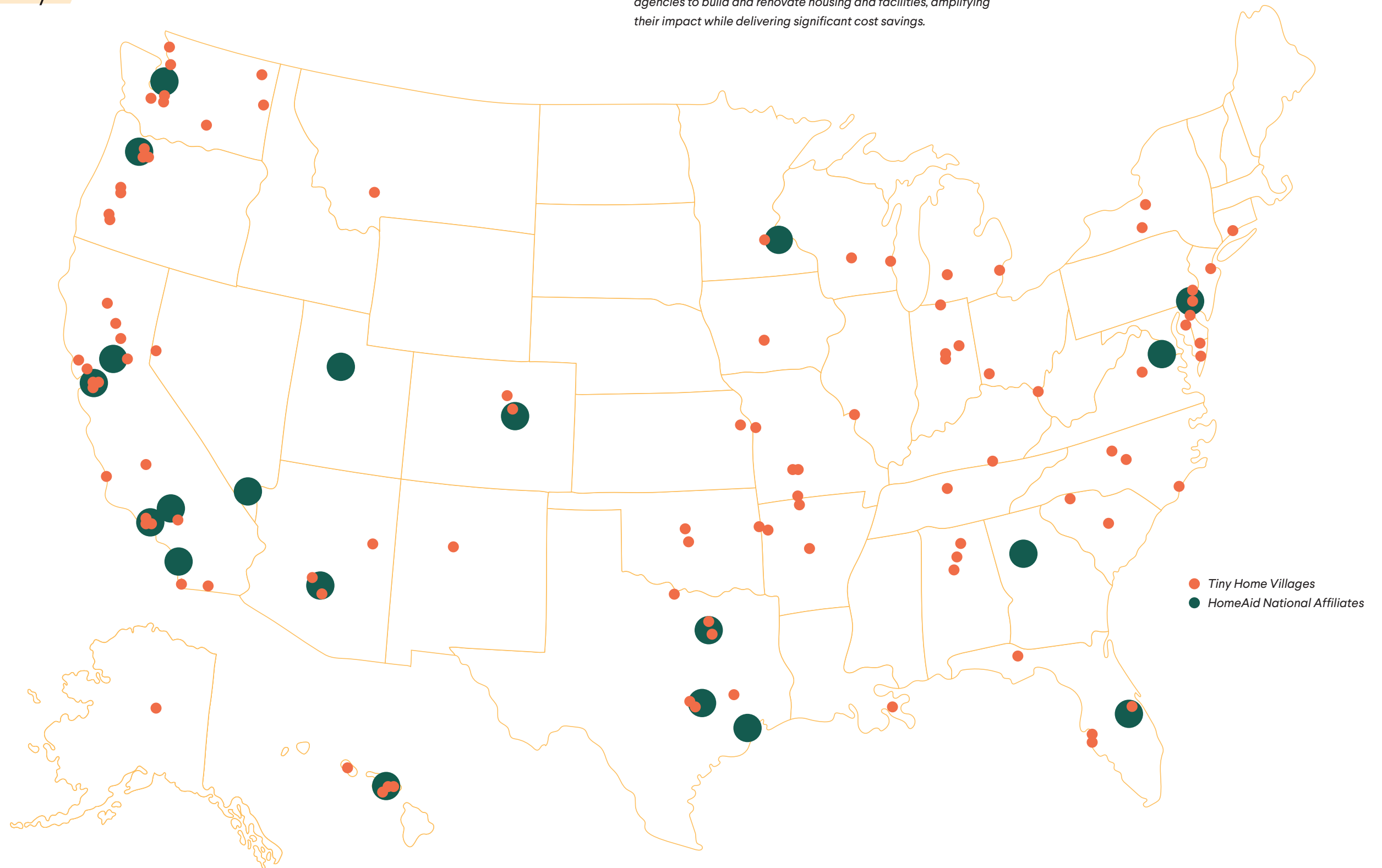
A national movement toward deep affordability

Communities nationwide are embracing community first villages to meet the growing need for deeply affordable housing. HomeAid Hawai'i, one of 20 affiliates across 17 states within HomeAid America's national network, is demonstrating through the Kauhale Initiative how this can be delivered effectively with real experience and proven results. Emerging approaches like the "Housing as Healthcare" model point to a scalable public-private partnership framework, where even a small alignment of existing healthcare resources can drive better outcomes for the most vulnerable while strengthening public systems.

As momentum builds, HomeAid America, alongside HomeAid Hawai'i, is uniquely positioned to expand this model nationwide.

HOMEAID AMERICA ONLINESS STATEMENT

HomeAid is the only national nonprofit organization that partners with the building industry, government and homeless service agencies to build and renovate housing and facilities, amplifying their impact while delivering significant cost savings.



Risks, Issues, and Gaps

Below are the most material risks identified to date, based on patterns documented in statute, program records, and press coverage. Where applicable, this section also notes controls already in use, including the oversight and reporting upgrades enacted through HB431 (Act 309).

RISKS

Cost and what people think “cost” means.

Cost is the most sensitive topic because people use “cost” to mean different things. Some numbers reflect construction only. Other include infrastructure, remediation, operating support, or soft costs such as design, engineering, site surveys, feasibility studies, and insurance. The most stabilizing move is making cost stories comparable by default: what was built, what had to be fixed on the site, what was temporary, what was permanent, and what the operating picture looks like once a site settles.



Political environment and durability

Housing tied to public spending will always sit inside politics. That does not automatically undermine the work, but it does mean continuity depends on keeping confidence steady across administrations, not just within one. The most practical way to protect durability is predictability: clear standards, clear decision trails, and a consistent explanation of what success looks like and how it is tracked.

Leadership and governance transition

Rapid scaling across multiple agencies creates a lot of institutional memory risk. Even strong decisions can look inconsistent later if the “why” is not visible to new teams or the public. Program stability improves when leadership changes do not reset the narrative or the documentation trail.



MEDIA SENSATIONALIZATION AND NARRATIVE VOLATILITY

Public understanding is shaped by short form coverage, so single moments can carry outsized weight. A generator, a complaint, or a headline number can turn into shorthand for the entire Initiative. The way through that is not fighting stories one by one. It is keeping the public record clear, current, and easy to track so inaccurate snapshots do not harden into lasting impressions. And because sourcing matters as much as facts, credibility can hinge on whether coverage reflects firsthand context or secondhand accounts shaped by personal agendas.

AGGREGATION UNDER ONE LABEL ACROSS DIFFERENT PROJECT TYPES

One label has been used for multiple models that operate differently. That flexibility helped the State move fast, but it also makes public interpretation harder when costs or outcomes get discussed as if every site is the same. Clear typology and service distinctions inside the portfolio would function as a practical system upgrade: it preserves one Initiative while making comparisons more accurate. Village communities, medical respite, bridge housing, shelters, and adaptive reuse can all belong in the picture, but they should not be treated as interchangeable.

Scale expectations versus statewide need

No one model can carry Hawai'i's housing gap on its own, especially at the deepest incomes. When expectations are set as “solve it,” the program gets judged against a standard it was never designed to meet. When expectations are set as “fill a specific part of the system,” performance becomes easier to evaluate and improve over time.

NIMBYism

Opposition is common even when operations are strong. Concerns about safety, cleanliness, neighborhood quality of life, and property values often surface before a site opens, and the conversation can get stuck in worst case assumptions and false stereotypes. What changes the tone is a solutions oriented posture: clear ways for neighbors to ask questions, raise issues, and get a response that leads to action, not just reassurance. Over time, the strongest counterweight is what people can verify on the ground. Clear rules, consistent safety practices, and visible follow through when problems arise. And based on how *kauhale* villages have operated so far, the surrounding impact has generally been far more stable than early fears suggest.

Community engagement

Outreach has happened, but it does not always translate into neighboring residents feeling informed. People can miss notices and still feel blindsided. Engagement works best when it is treated as ongoing and practical: fewer “big meetings,” more consistent touchpoints, clearer channels for questions, and follow up that shows what changed as a result.

Infrastructure readiness

Infrastructure constraints are real especially on donated remnant parcels of land that would have been used for a profit if they were easily developable. Power, sewer, easements, and multi-agency approvals can move slower than construction. When those constraints are visible and planned for early, projects face fewer surprises and fewer public facing interruptions.

Procurement under emergency timelines

Emergency timelines can limit product testing, long-term evaluation, and vendor selection, as well as the ability to secure *pro bono* services and in-kind contributions within compressed schedules. That is not a failure of intent. It is the tradeoff that comes with building quickly. What matters is closing the loop fast: identifying what underperforms, documenting the fix, and baking that improvement into the next site so the whole portfolio gets stronger with each build. The aim is affordability, not cutting to the lowest possible price and sacrificing on safety.

Land availability and site constraints

Sites that are available quickly are often complex. Zoning limitations, access issues, and surrounding land uses can add costs that do not show up in a simple “per unit” narrative. Strong site selection memos and early due diligence help explain those tradeoffs in a way the public can understand.

Operational variability across sites

Different sites serve different populations and run under different rules. Flexibility is a strength, but without a shared baseline it can look inconsistent. A simple set of minimum operating expectations, paired with room for site specific variation, makes the model easier to trust and easier to evaluate.



GAPS

1 EMPIRICAL EVIDENCE OF OUTCOMES

Housing First and permanent supportive housing have the strongest evidence base, including rigorous studies, with the clearest results around housing stability and reduced reliance on high cost crisis systems. *Kauhale* style village models are still measured unevenly across sites, which leaves too much room for debates to run on impressions instead of results. The best next step is consistent outcome tracking over time so the model can be judged on performance rather than narrative.

2 STANDARDIZED OUTCOME METRICS ACROSS SITES

Right now, data varies by operator and typology. Some sites can speak clearly to retention, exits, engagement, and health stability. Others have less comparable reporting. A shared baseline dataset would improve interpretation while still allowing site specific measures based on population and purpose.

3 ENERGY EFFICIENT AND DURABLE UTILITY SYSTEMS

Temporary utilities can make sense early, but they become expensive and reputationally damaging when they last too long. A stronger pathway toward durable, energy efficient systems reduces operating costs and makes neighborhood impacts easier to manage.

4 RESIDENT OUTCOMES BEYOND HOUSING RETENTION

Housing retention is a baseline, not the full story. Health stability, reduced crisis cycling, employment and income progress, reconnection, and community functioning are closer to what the model claims to support. More consistent tracking of those outcomes would make the public conversation more grounded and fair.



Conclusion

This audit was undertaken to compile and evaluate available evidence on Hawai'i's Kauhale Initiative in advance of the legislatively required management and performance audit scheduled for 2026 under Act 309. It does not attempt to adjudicate political debate or forecast future policy decisions. Instead, it examines how the Initiative has been defined, implemented, reported, and interpreted across statute, administrative records, project documentation, and press coverage, with the goal of strengthening oversight, consistency, and audit readiness.

THE EVIDENCE REVIEWED supports several core conclusions.

First, the Kauhale Initiative was mobilized and scaled at an unusually rapid pace relative to traditional housing delivery systems. Between 2023 and 2025, the State established a statewide portfolio of 25 sites under compressed timelines, using emergency authorities to accelerate permitting, procurement, and construction. Project records reviewed for this audit demonstrate that this acceleration translated into tangible outputs, including hundreds of operating beds, delivery timelines measured in months rather than years, and the conversion of underutilized or constrained parcels into functional housing and care environments. In that respect, the Initiative achieved its primary near-term objective of rapidly expanding deeply affordable housing capacity during a period of acute need.

Second, documentation from selected kauhale village projects indicates that the delivery approach is repeatable and governed by identifiable controls. Across sites developed by HomeAid Hawai'i, project files consistently document value capture mechanisms such as

donated land, emergency proclamation exemptions, industry participation, value engineering decisions, and private fundraising and grants, and community volunteers. These mechanisms reduced direct public expenditures and shortened schedules when compared with conventional affordable housing development pathways. While these value categories are not interchangeable with audited savings or net fiscal returns, they represent verifiable inputs that materially shaped cost and delivery outcomes at the project level. The record also reflects an iterative pattern typical of rapid build programs: early tradeoffs made for speed have informed design and operational improvements now being standardized across later sites.

Third, the audit finds that many of the public controversies surrounding the Initiative stem less from site-level performance than from definitional and reporting ambiguity at the statewide level. The term "kauhale" has been applied across multiple housing and service typologies, including village-style communal housing, shelters, medical respite, behavioral health programs,

bridge housing, and adaptive reuse. When aggregated figures are presented without typology distinction, costs, beds, and outcomes can be interpreted as directly comparable even when underlying models differ substantially. This creates interpretability risk for policymakers, partners, and the public, and it contributes to narrative volatility that is not fully resolved by project documentation alone. Recent public opinion research reinforces the importance of this interpretability risk: most residents report learning about kauhale primarily through news and social media, channels where definitional ambiguity and inconsistent framing can amplify misunderstanding (Ward Research, 2025).

Fourth, the audit finds that legislative intervention has already functioned as a program-strengthening control rather than a destabilizing force. The enactment of HB431 as Act 309 codified the Kauhale Initiative in statute, clarified affordability parameters, strengthened reporting expectations, and mandated a management and performance audit. These actions address several risks identified in this audit, including reliance on

informal definitions, uneven documentation practices, and the absence of a common evaluation framework. Act 309 establishes a clear oversight pathway that can stabilize evaluation criteria across policy cycles and reduce reliance on ad hoc responses to public scrutiny.

At the same time, the audit identifies clear improvement opportunities that are relevant to the 2026 audit and to longer-term program maturity. These include adopting a statewide typology classification framework within the Kauhale Initiative portfolio, standardizing reporting conventions that separate direct expenditures, documented in-kind value, and modeled system offsets, formalizing infrastructure sequencing documentation where interim utilities are used, and establishing a minimum common performance dataset supplemented by typology-specific measures. In addition, clearer public-facing cost framing and more consistent outcome reporting would reduce the likelihood that single incidents or partial snapshots define the Initiative's performance in public debate.

Viewed in the context of Hawai'i's

broader housing gap, the Kauhale Initiative represents one tool among many, not a standalone solution. State and national data consistently show that the deepest shortages remain at or below 30 percent of area median income, where conventional housing markets and subsidy programs struggle to deliver sufficient supply. Kauhale villages, when implemented as intended, offer a form of deeply affordable housing that uses shared space and community structure to reduce per-unit costs and expand capacity more quickly than traditional models. Their role is best understood as complementary to permanent supportive housing and other long-term strategies, rather than as a substitute for them. Public opinion research also suggests that, at the level of general concept, residents express strong support for kauhale housing both for unsheltered populations and for other households facing deep affordability constraints, reinforcing the relevance of this tool within a broader portfolio even as standards are clarified (Ward Research, 2025).

In sum, the evidence supports the conclusion that the Kauhale Initiative

has delivered measurable outputs at scale, has an identifiable and repeatable delivery model, and has benefited from increasing statutory clarity and oversight. The principal challenges moving forward are maintaining interpretability and comparability in statewide reporting, strengthening consistent outcome measurement in a model with a thinner published evidence base than Housing First, and sustaining public confidence in a political environment where cost narratives and short-format coverage can outpace documentation. Addressing these gaps through standardized controls, consistent documentation, typology-aligned metrics, and clearer public-facing reporting will strengthen audit readiness, improve comparability, and allow future assessments to focus on evidence rather than interpretation.

If implemented, they would position the Kauhale Initiative to be evaluated on its intended purpose and documented outcomes within Hawai'i's housing system. The 2026 performance audit mandated under Act 309 provides a timely opportunity to formalize these controls.





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