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November 11, 2016 |

[Hawaii News](#)

State board OKs firm to build delayed Kakaako project

By [Andrew Gomes](#)

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COURTESY ALAKA'I DEVELOPMENT LLC

An artist's rendering of the \$300 million 690 Pohukaina project, which is planned to include 590 apartments for moderate- and low-income renters and a 750-student school.

A state board guiding affordable-housing production voted Thursday to move ahead with a plan for developing 590 rental apartments and a public elementary school in two towers on state land in Kakaako.

The board of the Hawaii Housing Finance and Development Corp. unanimously approved working with private firm Alaka'i Development LLC to produce an initial phase of the roughly \$300 million project called 690 Pohukaina after prior versions of the plan initiated by another state agency, the Hawaii Community Development Authority, stalled.

Thursday's decision followed a detailed presentation and discussion of the proposal at an HHFDC board meeting last month.

HHFDC will now move ahead with negotiating a development agreement and 75-year land lease with Alaka'i.

If work proceeds smoothly, an initial tower with 390 apartments and 600 parking stalls could break ground in 2019 and deliver homes in 2021 for moderate-income families at rents starting at around \$2,500 a month.

A second phase is designed with a four-story school to serve 750 students, 250 parking stalls and 200 apartments with monthly rents as low as \$1,000 for low-income households.

HHFDC intends to solicit a developer for the second phase through a request for proposals. This tower would be financed in part with tax credits, and the state Department of Education would pay for the school's estimated \$40 million cost.

Another option is the school would instead be part of the first phase developed by Alaka'i with DOE funding.

Alaka'i is led by Jon Wallenstrom, who is also president of the Hawaii affiliate of Ohio-based Forest City Realty Trust. Forest City won a competitive HCDA bid in 2013 to develop 690 Pohukaina as an 804-unit affordable rental housing project in two towers without a school.

Negotiations on a development agreement between HCDA and Forest City lagged, and then last year DOE tried to have an elementary school incorporated into the project to accommodate future demand generated by thousands of new residences being built in Kakaako.

Forest City revised its plan to one tower with 400 apartments next to a midrise school, but HCDA's board rejected the change in March because adding a school departed too much from its competitive proposal offering. HCDA has endorsed the new path for 690 Pohukaina led by HHFDC.