

Developing the ‘Missing Middle Piece’

Wallenstrom, Pe‘a join forces to focus on residential housing

BY DON CHAPMAN

Lots of people talk about Hawaii’s housing shortage. Few actually do anything about it.

Count Jon Wallenstrom and Cayenne Pe‘a among the few ... and the busy. Three years ago, they founded Alaka‘i Development to meet, Pe‘a says, “the needs of Hawaii’s housing shortage by creating quality rental residences.”

And the former colleagues at Forest City Hawaii for 10 years—Wallenstrom was president, Pe‘a headed finance and accounting—have a specific focus.

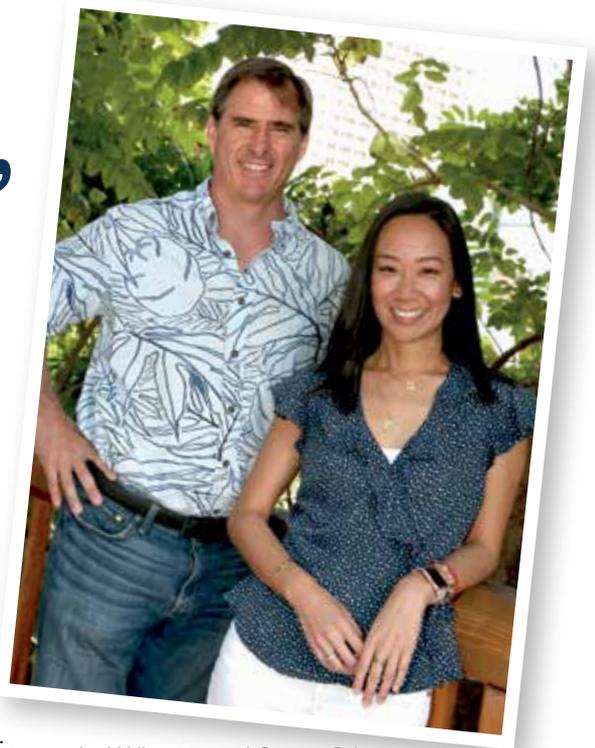
“There are rental mechanisms for the lower-income, and there are luxury condos being built all over town,” Pe‘a says. “But there’s really nothing there for the middle. So what we do hits right in that missing middle piece—for hard-working people who live and

work here. That’s what keeps our society moving.”

When they were at Forest City they developed Kapolei Lofts, and “it was fun,” Pe‘a says, “because it was a little bit of everyone—young professionals, people with kids, empty nesters.”

That award-winning complex serves as a sort of model for a project they are calling The Element, which will be “on a rail stop in Ewa Beach,” Pe‘a says. “But we can’t divulge yet exactly where.”

“We can show you pictures, but we’re under a confidentiality clause as to the location,” Wallenstrom says. “And we can say that, again, we’re pretty laser-focused on our niche in the apartment market. The project is in pre-development right now.”



Jon Wallenstrom and Cayenne Pe‘a
PHOTO BY NATHALIE WALKER

Pe‘a adds that they’re hoping to begin construction by the end of the year, with the first units ready by next summer.

“A lot of what we do has been building in West Oahu, and I grew up in Makakilo, so it’s like coming home,” says Pe‘a. “And I really believe in Kapolei being the ‘Second

Rendering of The Element in Ewa Beach



City,' so a lot of what we do is in and around that area."

Business cards for Wallenstrom and Pe'a identify each as "principal" at Alaka'i Development. "We have a huge whiteboard, and every morning we come in, see what's on deck, OK, these are my three priorities for the day and these are his," Pe'a says.

"We have different skills and talents and strengths, and only because I've been at this longer, I can play a little bit in some of the sandbox that Cayenne gets immediately," Wallenstrom says.

"In Hawaiian, alaka'i means to lead or guide. We see ourselves leading Hawaii to a better future by creating the projects we do."

—Cayenne Pe'a

"She is stronger for certain finance things, but I can hold my own because I've been doing it for years."

He was born in the middle of the country, educated on both coasts as his family followed the career path of his father, a lumber salesman.

"That's why I'm doing what I do," he says, "because in summers I'd frame houses, dig ditches, things like that, just because my dad sold lumber. And I wanted to build stuff. That's how I started, then moved over to development."

After graduating from Princeton with a degree in medieval history, with an emphasis in Welsh ecclesiastical history, and a stint at Oxford, he taught English in Korea, and in transit stopped in Hawaii. Back on the East Coast, Wallenstrom spent 15 years developing properties, including with Archstone Communities Trust in the mid-Atlantic region where he helped provide more than 4,000 multi-family homes.

His wife, the former Heather Keevil, is a Hawaii native and Kaiser High School grad, so when Forest City recruited Wallenstrom to head up a military housing project here, he couldn't say no.

"The attraction of Hawaii was certainly something, and then I thought it would be fun to do something different with this big public-private venture," he says. "We did everything—tore down houses, put 'em

back together, renovated old houses, renovated historic homes."

Pe'a is a K-12 Kamehameha Schools "lifer." Always something of a math whiz, she earned a Science of Accounting degree at Loyola Marymount.

"After school I started at Deloitte and Touche in L.A., and was able to transfer home," she says. "Forest City was one of my very first clients as an auditor here in Hawaii.

"I was with Deloitte for a few years, then moved to Forest City to

accounting, I got to see all sides of the business: legal, accounting, construction, everything—soups to nuts—so that gave me the exposure to take this dive into the next step."

That step was creating Alaka'i Development.

"In Hawaiian, alaka'i means to lead or guide," Pe'a says. "We see ourselves leading Hawaii to a better future by creating the projects we do. As time goes by, that's the legacy, really making a meaningful dent in providing housing for people who live and work here. This is the next five years of our lives right here, and I would just love to do more of these projects."

"We have to understand that we're competing for the minds and hearts of these young people who can help our society. And as beautiful as our state is, as wonderful as our culture is, people still want a place to live," says Wallenstrom. "We have the best beaches in the world, a culture of aloha, and that's wonderful, but people still want a nice home they can enjoy.

"It's more than a market demand, it's a societal demand." 🏠

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