

From the Pacific Business News:

<https://www.bizjournals.com/pacific/news/2019/11/12/new-rental-apartments-planned-in-east-kapolei-as.html>

New rental apartments planned in East Kapolei as part of Hoopili

Nov 12, 2019, 2:54pm HST



COURTESY ALAKAI DEVELOPMENT/KTGY GROUP INC.

A rendering of The Element at Hoopili.

Alakai Development, whose principals developed the Kapolei Lofts apartments, has a new project planned that will add 318 rental apartments at the entrance to D.R. Horton's Hoopili, across from the University of Hawaii West Oahu campus and rail station.

The Element at Hoopili is one of the first two rental apartment projects planned for D.R. Horton — Schuler Division's 11,750-home master-planned community that is taking shape on 1,550 acres of land on the Ewa Plain. The developer began construction on the first for-sale homes there in 2019 and [has completed more than 500](#) single-family homes, townhomes and condominiums since then.

The Element will also be the first market-rate rental project in East Kapolei, where the Mutual Housing Association of Hawaii completed its 308-unit Kooloaula affordable rental project last year on Keahomua Parkway near the Salvation Army's Kroc Center Hawaii, while Michaels Development has also completed the first three phases of its 320-unit Keahomua Place affordable rental and is working to finish construction on the fourth phase by June 2020.

The majority of the one-, two- and three-bedroom apartments at the Element at Hoopili will have market-priced rents, while 20% of the units will be rented to tenants making no more than 80% of the area median income, [Jon Wallenstrom](#), a principal with Alakai Development, told Pacific Business News.

Wallenstrom said his firm is partnering with the Reinsurance Group of America on the privately funded project, which is planned for an 11-acre parcel closest to Kualakai Parkway and the UH West Oahu rail station that the partnership recently acquired from DR Horton for an undisclosed price. The project is also near the 4.9-acre parcel The Queen's Medical Center [purchased in August](#) for a new clinic.

Wallenstrom is aiming to break ground on The Element by the end of this year or early 2020.

“We’d like to open the first units before the end of next year,” he said. Full buildout of the three-story apartment buildings, as well as a community center with a pool and a small neighborhood retail space, is expected to take about 18 months. Leasing is expected to start by the end of next year.

Alakai Development is working with KTG Architecture and Moss as a general contractor.

“It’s kind of cool, very groundbreaking” for the area, said Wallenstrom, who was previously president of Forest City Hawaii, which completed the 499-unit Kapolei Loft in 2016 and sold it last year to Blackstone Group for \$197 million. “We’re very excited to bring it to West Oahu.”

Meanwhile, Mutual Housing Association of Hawaii recently began grading of a parcel not far from The Element site for the second Hoopili rental project and its second East Kapolei affordable rental, Kulia at Hoopili, which will start construction in November.

The \$45.8 million project is being built with low-income housing tax credits and assistance from the Hawaii Housing Finance and Development Corp. and the state’s rental housing revolving fund. Alliant Capital, the tax credit syndicator on the project, [recently announced](#) closing on its investment.

The project will have 120 units — 119 one- and two-bedroom units for tenants making between 30% and 60% of the area median income, and one manager’s unit — spread across 13 two-story buildings. The project site is

about three blocks from the UH West Oahu rail station, and The Element, and is across from a future middle school site. The project is being designed by Honolulu architecture firm KY International, while the general contractor is Vertical Construction Corp., a division of D.R. Horton.

“We hope to have some of the first units online about a year from now and be done about March 2021,” [David Nakamura](#), executive director of the Mutual Housing Association of Hawaii, told PBN.

Nakamura said there is a demand for affordable rentals in West Oahu — when Kooloaula opened two years ago, there were several hundred people on a waiting list.

“If we open up our wait list we can get several hundred people in a week’s time,” he said



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