

HAWAII NEWS

Ho‘opili to add housing rentals with wide range of monthly costs

• By [Andrew Gomes](#)

Saturday, November 16, 2019

Updated 10:14 p.m.



THE ELEMENT

ALAKAI DEVELOPMENT, LLC.

HONOLULU, HI

APARTMENTS

KTGY Group, Inc.
820 16th Street, Suite 500
Denver, CO 80202
ktgy.com
303.825.6400



2017-1206

COURTESY PHOTO

A rendering of the apartments at The Element.

Rental housing is slated to become part of the burgeoning Ho‘opili community on Oahu’s Ewa plain next year, including some apartments reserved for residents with very low incomes.

D.R. Horton, master developer of the community slated for 11,750 homes, announced Wednesday that it has sold 17 acres of land to two other developers that plan to produce 438 rental apartments at Ho'opili where about 650 for-sale homes have been built to date.

The two new projects, which are slated to deliver their initial homes next year, will be the first residences built for renters at Ho'opili.

Honolulu-based Alaka'i Development is building the bigger of the two projects on 11 acres it bought for an undisclosed price.

Alaka'i's project, dubbed The Element, is designed to be a complex of largely three-story buildings containing 318 apartments.

The Element will include 72 one-bedroom apartments with rental rates that are affordable to households earning up to 80% of the median income in Honolulu.

This lower-moderate income level equates to \$67,520 for a single person and \$77,120 for a couple. Monthly rent could be as much as \$1,800 under affordable-housing guidelines for these units.

Another 246 homes with one to three bedrooms will be priced at market rates determined next year.

Initial homes at The Element are expected to be finished next summer.

The other rental project at Ho'opili has been named Kulia and will offer 120 homes reserved for low-income households.

Monthly rent for these homes with one to three bedrooms are projected to range from \$494 to \$1,400, depending on size and tenant income restriction.

Of the 120 homes, 100 will be reserved for households earning no more than 60% of the median income in Honolulu. That equates to \$50,640 for a single person, \$57,840 for a couple and \$72,300 for a family of four.

Another 13 homes will be reserved for households earning no more than 50% of the median income, and six units will be reserved for households earning no more than 30% of the median income.

A groundbreaking ceremony for Kulia was held Friday, and initial homes are expected to be finished in October.

Kulia is being developed by Mutual Housing Association of Hawaii. The local nonprofit received the 7-acre site at no cost from Horton. Financing was largely from a state agency, the Hawaii Housing Finance and Development Corp., which provided \$23 million in tax-exempt bonds, a \$21 million loan and tax credits that will be sold to investors.

Bob Bruhl, Hawaii division president of Texas-based Horton, applauded Alaka'i and Mutual Housing for taking on the projects, which are near a city rail station projected to open late next year.

“What The Element and Kulia will add is a very broad and highly diversified opportunity for local families looking to rent a home at the doorstep of rail,” he said in a statement.

There hasn't been much new rental housing built on Oahu in the last few decades without government subsidies, but that has been changing in recent years.

A company with personnel ties to Alaka'i, Ohio-based Forest City Enterprises, developed the 499-home rental complex Kapolei Lofts in 2015. And two months ago Canadian firm Brookfield Properties broke ground on a rental housing tower in Waikiki called Lilia Waikiki with 402 units.

Dee Dee Letts, board president of Mutual Housing, said in a statement that there is a major need for rental housing in Hawaii.

“We are grateful for this incredible opportunity to build new rentals in the rapidly growing Ho'opili community,” she said.

Cayenne Pe'a, an Alaka'i principal, said in a statement that more rental housing will serve the local workforce.

“Oahu needs more high-quality housing built for people who work and live here and contribute to our society,” she said.