

# Real Estate Vet Aims to Build on Downtown Boom

**DEVELOPMENT:** Related's William Witte at home with affordable, luxury housing.

By **HANNAH MIET** Staff Reporter

Despite being a champion of downtown L.A.'s continued transformation, you'll never find **Related California** Chief Executive **William Witte** at **Staples Center** cheering on the **Los Angeles Lakers** or **Clippers**.

He's a **Golden State Warriors** fan.

"I'm not a very popular guy in L.A. because I don't root for any L.A. sports teams," he said. "I'm more of a sports fan than a partisan."

Witte, 62, is a bit of a warrior himself. He played in pickup basketball leagues into his early 50s, when a right-hip replacement put an end to his hoop dreams.

"I'm so passionate about basketball, I'll go to a good high school game," said Witte, who lives in Laguna Beach but also has an apartment in San Francisco, which is handier for attending Warriors games.

While he can no longer play pickup games, he works out most mornings before heading to the office or the airport. He is often in the air three to four times a week, meeting with investors in the San Francisco area, where Related is developing 10 projects, or in Los Angeles County, where the firm is developing seven projects.

Yet Witte does not have his own corner office, or even a cubicle, at Related's downtown L.A. office at 333 S. Grand Ave. On the day the Business Journal visited, he worked in a conference room with views of the downtown skyline. There, he can reflect on the work Related has done in the area: everything from restoring a 1920s-era affordable housing complex for seniors at 740 Olive St. to building the Emerson apartment complex, which commands downtown's highest rents.

"Wherever I plop down, that's my office," Witte said, motioning to the brown leather briefcase resting beside him on the conference table, next to a half-full bottle of **Temple Tumeric's** organic coconut nectar elixir.

He wouldn't be able to travel so much if he didn't maintain a mostly healthy lifestyle, he said. Being in good shape, for example, will allow him to keep pace with his three kids, all in their 20s, during the holidays. He took off with his wife, **Keiko Sakamoto**, and the rest of the family last week shortly after the Business Journal's visit for a two-and-a-half-week trip to the Galapagos Islands, Peru and Machu Picchu.

"My (healthy) lifestyle is tempered only by a great love of eating and drinking," he said, recalling a time when pioneering local developer **Tom Gilmore** took him on a pub crawl through downtown's Historic Core that left him unable to drive home.

## Luxury lifestyle

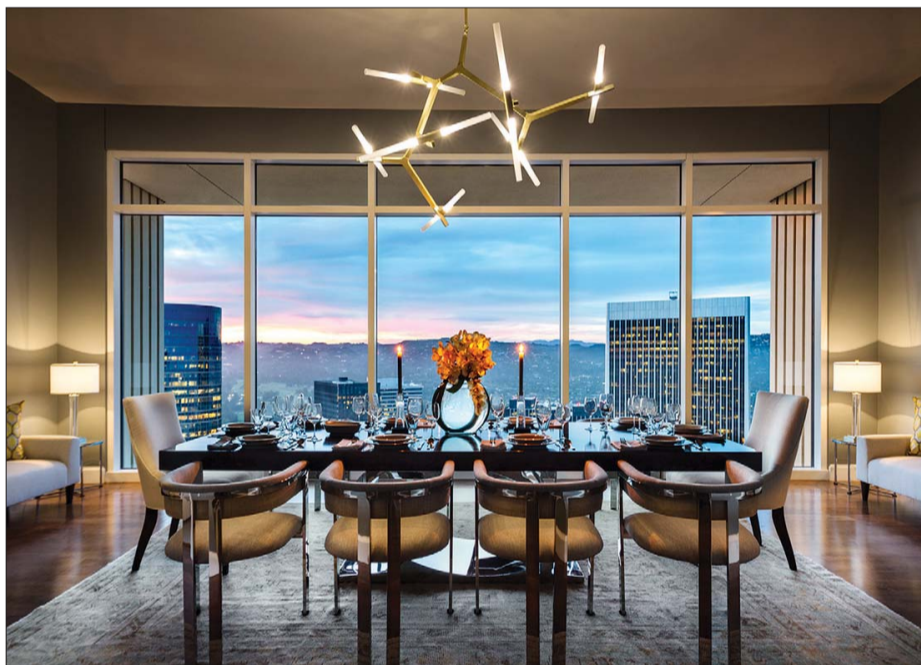
Even though his home base is in Orange County, Witte loves dense and walkable cities, the kind that made him want to study planning in the first place, and he thinks that downtown is moving in the direction of being a pedestrian city.

Related has focused on transforming downtown's Bunker Hill neighborhood with that idea in mind.

In the first phase of the Grand Avenue redevelopment project, Related developed the Emerson, the first residential development that neighborhood has seen in more than two decades. That \$120 million project opened last year and contains two-bedroom apartments that rent for about \$4,500, the highest rate in the submarket. Witte and Related also developed Grand Park in that first phase. The 12-acre park has become somewhat of a community and civic center for the neighborhood. The city's New Year's Eve bash and this summer's Made in America music festival were held there. Along with **Eli Broad's** the **Broad**



RINGO H.W. CHIU/LABJ



**Moving In:** Clockwise from top, William Witte at Related California's downtown L.A. office. The firm's high-end Emerson apartments and senior housing property at 740 Olive St. downtown. Century City penthouse bought by Candy Spelling.

museum, the developments are changing Bunker Hill dramatically, which is what gets Witte excited.

"We like when we feel we are upgrading a whole area, not just a site," he said.

Related is in predevelopment stages on the \$950 million next phase of the Grand Avenue project. Designed by **Frank Gehry** and dubbed Parcel Q, the proposed project is a mixed-use high-rise with two towers connected by a plaza. One tower will contain residential units and the other will be a 300-room hotel, a new concept from luxury gym brand **Equinox Holdings Inc.** The "four-star-plus" hotel project will incorporate retail and a restaurant that fits the hip, healthy and fancy vibes, Witte said.

Related California's parent company, New York's **Related Cos.**, acquired a controlling stake in Equinox in 2006. The first ever Equinox Hotel is expected to open in Related's Hudson Yards project in Manhattan in 2018. The second will come to Los Angeles soon after.

"You can see it, especially in the cities, that (health and fitness) have become a regular part of millennials' lifestyles so that factors into how we plan our projects," he said.

## Affordable DNA

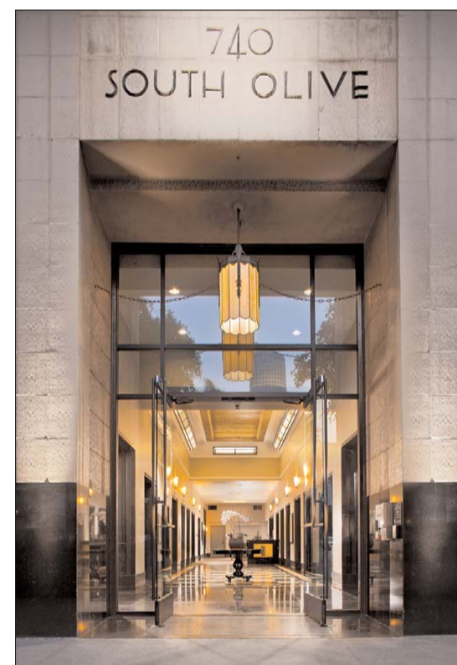
Under Witte's guidance, Related California's apartments have achieved record rents and its condos have seen record sales. The 18,000-square-foot penthouse at its Century City project in Century City sold for \$35 million in 2010 to **Candy Spelling**, widow of TV producer Aaron Spelling and mother of actress **Tori Spelling**. It was the highest-price condo in Los Angeles, and will remain so until the sale of a \$50 million penthouse at **Four Seasons Private Residences Los Angeles** closes.

But what distinguishes Related is that it is the only major developer of luxury properties in the area that is simultaneously developing an equal amount of affordable housing units. It has roughly 5,000 affordable units and roughly 5,000 luxury or market-rate residential units in the pipeline in the state.

Witte sees the diversity of Related's projects as his crowning achievement.

"This is why I went to planning school," he said. "To be involved in such a wide range of things that hopefully make a difference in the communities that they are in."

Affordable housing projects are difficult to fund, but Witte sees this as merely a challenge. "The government is in deep decline in



terms of funding affordable housing programs, and the state has more or less stopped funding with the end of (community redevelopment agencies) and the governor's aversion to funding at the state level," he said. "It's put more of a premium on creativity at a local level, on seeing what local initiatives private and public partnerships can come up with to create and preserve public housing."

In April, Related opened an affordable housing project in Carson with townhomes for families and a building with units for seniors, with a community center where both populations can mix.