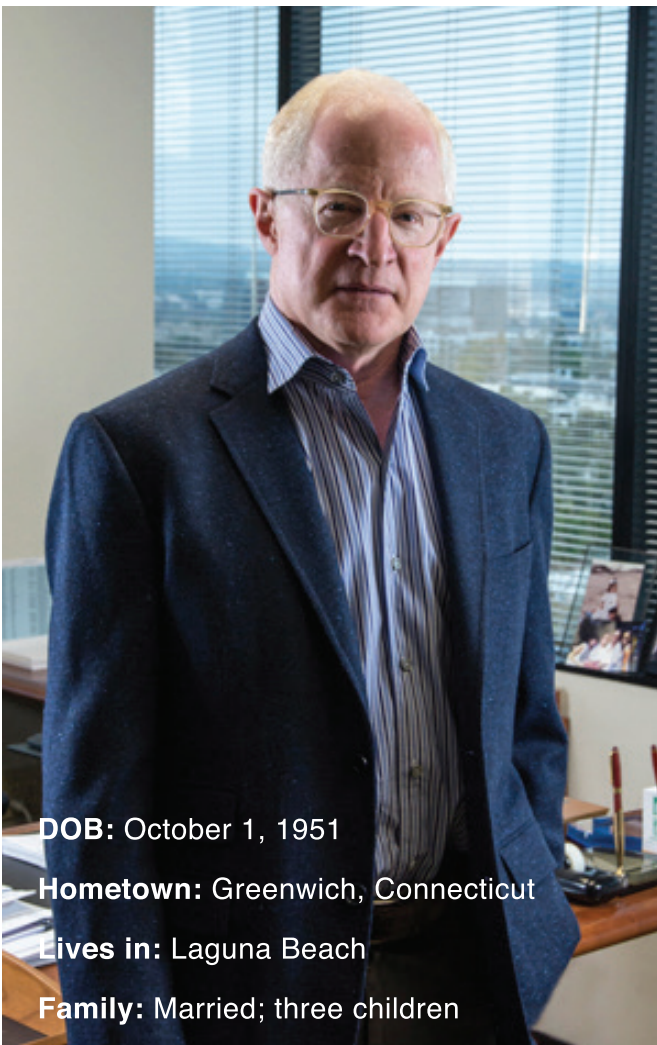


THE REAL DEAL

The Closing: Bill Witte

July 14, 2017 | By Bethany Firnhaber



DOB: October 1, 1951

Hometown: Greenwich, Connecticut

Lives in: Laguna Beach

Family: Married; three children

Bill Witte is the chairman and chief executive of development firm Related California, the California arm of New York's Related Companies. He founded the branch, which focuses primarily on housing and mixed-use developments, in 1989. Related California currently has more than 4,800 units in development across 15 projects, which run the gamut from affordable to ultra luxury. Although many of the Related projects are taking shape in the Bay Area, the firm has several sizable projects rising in the Southland, including the long-awaited Grand Avenue project designed by Frank Gehry in Downtown Los Angeles.

Witte got into real estate development after more than a decade in the public sector. He served as director of housing and economic development in San Francisco for eight years under then-mayor Dianne Feinstein, then served as deputy mayor for housing and neighborhoods under her successor, Art Agnos. Prior to that, Witte worked as an executive assistant to federal housing commissioner Lawrence Simons at the Department of Housing and Urban Development (HUD) in Washington, D.C.

What's your full name?

William Andrew Witte [pronounced WIT-ee].

Does your name have any special significance?

I was named after my paternal grandfather, actually, who died before I was born. All of the relatives I know on my father's side are actually from his mother's side of the family, and her maiden name was Kivnik. So I don't know any other Wittes in my family. But what's funny is until a year or two ago, the shopping center developer Rick Caruso had a CFO named Bill Witte. I've never met him, but every once in a while I would get a call and about a minute or two into the call, I would go, "Uh, I think you've got the wrong guy."

Having grown up in Connecticut, what brought you out to California?

In 1980, the last year of the Carter administration, I was working as an executive assistant to the director of HUD in Washington, D.C., and one day, my boss, the federal housing commissioner Larry Simons, got a call from newly elected San Francisco mayor Dianne Feinstein. She said, “I need a housing person. Do you have any suggestions?” He turned to six of us later and said, “Anyone know anyone who’d be interested in this?” I raised my hand. He was very loyal. He called her back and said, “I have the right guy for you.” So I moved to San Francisco, and I haven’t left California since.

How did you end up leaving the public sector to start Related California?

Well, I worked in government until I was 38. I worked for Dianne for eight years and then for 18 months as deputy mayor for her successor, Art Agnos. I knew I wanted to move on from government, but I liked him and in my view, I owed him something. So I told him, “I’ll stay on for the transition, but I don’t want to stay permanently. I’m ready to move on.” I didn’t know to what. But about a year or more into the job, my younger brother Matt, who’d always been in real estate and had formed a partnership with Related to do office development in California, introduced me to Steve Ross.

How was your transition into development?

I didn’t have the typical trajectory for real estate development. In hindsight, I missed out on some things, some of the technical nitty-gritty of having been a project manager or developer or something, which is the path for a lot of people, either from the finance side or the design and construction side. I had neither. So there was a steep learning curve, and I was kind of on my own. But I don’t regret it at all, because I gained a lot of experience in the public realm.

Where did your passion for affordable housing come from?

I’ve always been interested in cities, in ethnic neighborhoods, street life, the sort of gritty vitality of them. My interest in affordable housing stemmed from that. It wasn’t just the bricks and mortar. It was the role that it played in neighborhood revitalization. It was tangible; you could actually see the results of what you were involved in. So even though now we’re involved, as Related in New York is, in a lot of high-end and market-rate housing and mixed-use development, affordable housing has always been in my DNA.

Why do so many developers shy away from affordable housing?

You have to finance, plan, design, build, manage; but it’s got an entirely different constituency and market. The financing is not necessarily more difficult, but it’s esoteric. So, something like assisted living, you don’t dabble in it. You either sink your teeth into it and make it a core business, or you don’t, because it’s complicated. There’s land-use questions, there’s NIMBYs, there’s financing at the state, local and sometimes federal level. As we like to say in the trade, there’s a lot of hair on those deals.

How do you succeed as a developer in California, where it’s notoriously so difficult?

Something that just has to be embedded in your psyche if you’re going to develop in coastal California —

at any scale — is that you have to be able to communicate with, listen to and deal with community groups and neighborhoods. Whether you agree or disagree with them, you have to be able to understand where they're coming from. So even though I may rant from time to time and say, "Oh, this is ridiculous!" or "This is hypocritical," you know what? There's usually a germ of a reason why somebody is contesting a project, and you have to try to deal with that.

Now that you're 65, has retirement crossed your mind?

No. Retirement to me means you say, "I'm done, I'm out of here, I'm not doing this anymore." I've certainly considered — and still would consider — slowing down. But I like what I do, and I feel a personal attachment. I started Related California, so to me, it's a little like a family-owned company, even though it technically isn't. I agree with Steve Ross, who recently said, "Age is just a number."

What's the most extravagant thing you've ever purchased?

[Pause] I know the answer, but I'm debating how public I want it to be [laughs]. The things I've bought too much of, in terms of what I could ever possibly use, are books and wine. The most extravagant would probably be my apartment in San Francisco. But I'm not going to say anything more about it.