

Developer Creates Model for Delivering Affordable Homes

HOUSING: Co. Controls All Costs, Taps Community Spirit for Projects

■ By EMMET PIERCE

Building affordable, middle-wage homes in San Diego's pricey real estate market takes patience, tenacity, and a commitment to improving the community.

"It has taken years to assemble what I've been able to do," said developer **Robert Ito**, CEO of **Ito Girard & Associates**. "It's patience and relationships, working with community activists and government officials. These are infill projects. I've had to assemble adjacent properties. I feel passionate about improving housing."

Ito, a longtime advocate for affordable housing in San Diego, works primarily in older neighborhoods. He currently has about 175 detached, single-family dwellings in the development pipeline. Most are located in Southeast San Diego. They include houses ranging in size from 1,450 to 1,700 square feet and detached townhomes ranging from 1,340 to 1,450 square feet.

The price range of town homes will be in the neighborhood of \$375,000 to \$395,000, 23 percent to 25 percent below market rate, he said. The single-family homes will sell for around \$422,000 to \$495,000. Ito hopes to have all of the dwellings completed within two years. The target buyers will be households with annual income of \$74,000 to \$90,000.

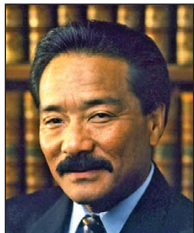
"Those are the nurses, the firemen, the administrative assistants," said Ito.

Busy Schedule

Mallard Court, a 12-house project located on 6800 block of Mallard Street in Southeast San Diego, will break ground first, he said. "It should be within the next two weeks."

The next project is expected to be Creekside Point, planned to have 24 townhomes on the 5300 block of Naranja Street. He expects to break ground there within 60 days. That project will be followed by Ocean View Boulevard, a 19-unit townhome project, in approximately eight months, Ito said. He declined to give project costs but said his first-time homebuyer projects in Southeastern San Diego receive no government subsidy.

Before Ito became a developer, he served as CEO of nonprofits **Occupational Training Services** and **San Diego Community Housing Corp.** Ito founded his development company with **Roxanne Mariko Girard**, a retired banker. Since 2004, the company has been developing single-family, multifamily, and mixed-use projects. His five detached Southeast



Robert Ito



Photo courtesy of Robert Ito

Ouchi Courtyards, an affordable 45-unit apartment complex, was built by Robert Ito at 5003 Imperial Avenue. The project, which opened in May 2017, includes 5,000 square feet of commercial space.

San Diego projects are being developed in partnership with builder **David Weiland**, president of **Infill Development**.

Like Ito, Weiland works in the affordable-housing niche.

The way to build a successful affordable housing project is to keep overhead costs low, buy land for low prices and hold down construction costs as much as possible, Weiland said.

"We obviously want higher density," he said.

'A Sense of Suburbia'

Despite their high density, the homes he is building in partnership with Ito Girard will give homebuyers "a sense of suburbia" because they will include backyards, two-car garages, and driveways large enough to accommodate parking.

Weiland said he and Ito discovered they shared a passion for creating affordable housing when they coached a little



David Weiland

league baseball team together 20 years ago. They both understood the business model requires purchasing land for reasonable fees in order to turn a profit.

When he negotiates for property, Ito often appeals to the owner's civic pride. By selling the land to someone who plans to build affordable detached homes, owners are investing in the future of the community. First-time buyers with children will be able to find appropriate housing without leaving San Diego County or moving to distant suburbs.

A native San Diegan, Ito grew up in the Encanto section of Southeast San Diego and maintains his headquarters at Ouchi Courtyards, an affordable 45-unit apartment complex that he built at 5003 Imperial Avenue. The project, which opened in May 2017, includes 5,000 square feet of commercial space.

Ito noted that his grandfather, **Yen Kichi**, came to the U.S. from Japan in the early 1900s and started a farm in the Encanto area.

"I am not a developer from Los Angeles trying to buy up land," Ito said. "I live in this neighborhood."

Private Equity Loans

One of the biggest challenges affordable housing developers face is raising money for their projects.

Ito said he doesn't rely on banks for his funding.

"I raise private equity," he said. "Right now I am not using any conventional financing. We rely on private, hard money loans."

Ito also relies on investors, which include family and friends.

One of his investors in **Jack McGroary**, a former San Diego city manager who now serves as CEO of **La Jolla MJ Management LLC**, a real estate investment company.

McGroary called Ito's planned developments in Southeast San Diego "a pioneering effort."

"I've known him since my city days," he said of Ito. "He has always been very actively involved in the community."



Jack McGroary

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