

Affordable housing's fate hangs on 421-a renewal, according to L+M's Lisa Gomez

The COO of the affordable- and market-rate housing developer says the average family can't afford rentals without city subsidies



By Joe Anuta



Photo: Buck Ennis

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What does the rental market look like right now?

It is very difficult for people to find rental housing in the city. We've always had a very constrained supply, and economic forces have conspired to push that supply further down. Some of the anger that you hear about in the communities with the mayor's housing proposals reflects people's deep concerns about what is happening in New York.

The median household here can pay rent of about \$1,325. Is there any way to build apartments for them without subsidies?

No. It's all about land price. We have a scarcity of land. It is a happy problem to have, but it's very

difficult. You're also competing against condo developers in most neighborhoods. And there is a lot of money, including foreign capital and equity funds, chasing very little product.

Is development important to bringing down the cost of living here?

It is. You can't build your way out of this, though. Preservation [of affordable housing] is also important.

What is the biggest problem facing residential development in 2016?

Predictability is probably up there.

We are not rushing out to buy land speculatively, because it's hard to know what is going to happen with 421-a [an affordable-housing tax break] and the mayor's proposal.

What will happen if 421-a, which offers a huge property-tax cut on new developments, is not renewed in January?

There would be a further bifurcation of the market. There are options for pure affordable housing without 421-a, and luxury condos don't need it to begin with. So what we see as an attainable price point for New Yorkers would continue to become more out of reach.

What will happen with the mayor's zoning proposals?

The Zoning for Quality and Affordability proposal is really positive. There is a lot of negativity around it, but it addresses a lot of things that make moderate-income housing development less economic. Where we end up with mandatory inclusionary housing we'll have to see. In strong neighborhoods, you can afford to make it work, but in weaker neighborhoods, I don't know. I don't know how that happens at all without 421-a, or some other replacement tax abatement.

How will developers react to more affordable-housing requirements?

Developers are mutable creatures. Mixed income has never been a problem in New York. It is how we live: You live across the street from somebody who is wealthier or poorer than you, or even in the same building.

Lisa Gomez

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BORN New Orleans

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BONA FIDES Gomez helps run one of the city's top development firms building affordable- and market-rate housing, and chairs an affordable-housing developer trade group.