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Long Island developers weigh in on how to get affordable housing approved



David Gallo of Georgica Green Ventures speaks at The Affordable Housing Opportunities Panel at the Smart Growth Summit hosted by Vision Long Island. Credit: Rick Kopstein

By Jonathan LaMantia

jonathan.lamantia@newsday.com X@jonlamantia

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Housing developers' efforts to win favor for affordable housing from Long Island communities don't end when a new building opens, executives said last week in Woodbury during an event on economic development.

Developers need to focus as much on maintaining their properties and relationships with community leaders as they do on winning initial approval from local zoning boards to get the green light for future projects, they said.

Their comments came during panels on affordable housing and major development on Long Island at the Smart Growth Summit hosted by Vision Long Island, a downtown planning association. The event, at Crest Hollow Country Club, had more than 1,000 registered attendees, including local elected officials and municipal leaders.

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A major topic was Gov. Kathy Hochul's intention, <u>first reported</u> last week by City & State, to not repeat in 2024 her push to require municipalities to approve a certain number of housing units. In August, <u>Hochul introduced</u> an incentive-based plan, which will allow local governments that support housing growth to apply for \$650 million in state funds.

"There's no question that particularly on Long Island, we have a severe housing shortage," Peter Florey, principal at D&F Development Group in Levittown, said during a panel on affordable housing. "With respect to incentives, my understanding is that there is a lot more money on the table for those incentives, and I think that we're very eager to see that move forward."

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Some of D&F's projects in development include Alegria South, a planned development of 100 units, all of which will have affordable rents, in North Bellport; Bishop Ronald H. Carter Manor, a planned 80-unit affordable building in Freeport for seniors; and Sterling Green, a 70-unit complex in Farmingdale with affordable rents.

"When we go into communities and pitch a project,

it's important for us to be able to show developments that we've done in the past [and] that these are examples that have been embraced by the community, are well run and beautifully designed," Florey said.

David Gallo, CEO of affordable housing developer Georgica Green Ventures, said his firm's focus on property management has paid dividends in helping to get additional projects approved. Georgica Green <u>recently</u> completed 55 affordable units called The Green at Garvies Point in Glen Cove.

The company has completed or started construction on more than 1,500 affordable housing units in New York since 2015, with a significant portion of those on Long Island.

"We've almost done a second project in every single town that we've worked in," Gallo said. "People could come and see what properties looked like, and then say, 'Yes, that worked out."

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Affordability, in the case of these developments, is defined as the rent taking up no more than 30% of a household's income. Tenants must meet income qualifications. For example, if a development sets aside units as affordable for renters earning the area median income, which is \$109,400 for an individual or \$156,300 for a family of four on Long Island, rent could take up no more than 30% of that income.

That means the maximum rent charged to an individual renting a one-bedroom unit in such a development would be \$2,735.

But affordable housing developments often aim to make rents palatable to people earning below median income. Of the one-bedroom apartments at Bishop Ronald H. Carter Manor, four units are offered as affordable for people earning 30% of area median income, 48 units at 50% area median income and 23 units at 60% of area median income.

An affordable rent for a senior earning 50% of the local median income, or \$53,900, would be no more than \$1,348.

When affordable rental apartments become available, there is significant demand, said Robert Coughlin, principal at East Setauket-based developer Tritec. At its 418-unit Shoregate complex in Bay Shore, the company set aside 84



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"We have way too much demand relative to our supply," he said. "We need to have — and they are — our elected officials recognizing that problem and embracing the idea we need to create a lot more housing at every strata."



Jonathan LaMantia covers residential real estate and other business news on Long Island. He previously covered the business of health care for Crain's New York Business.