

# Eminent Domain

Matt Schwartz's development career started in Hurricane Katrina's wake, and he's never forgotten the lessons as he moved from the Big Easy to the Big Apple

By Rebecca Baird-Remba | Photography by Evelyn Freja

**M**att Schwartz and Chris Papamichael were college friends who basically built their development business, The Domain Companies, in the wreckage of Hurricane Katrina.

The two Tulane grads began their careers building ground-up affordable housing and mixed-use residential projects in Downtown New Orleans in the mid-2000s just as they had started to work on public housing and affordable projects throughout New York.

Now they're working on multiple mixed-income residential projects in the outer boroughs, including the 500-unit Jasper in Long Island City, along with the 360-unit 420 Carroll Street and 355-unit Majestic in Brooklyn's Gowanus neighborhood. The firm recently wrapped up a large mixed-use development in the South Bronx called Estela, and is working on residential projects outside of New York in places like Salt Lake City.

Commercial Observer recently got on a Zoom call with Schwartz to discuss the firm's beginnings in New Orleans and its current work in New York City and Utah.

*This interview has been edited for length and clarity.*

**Commercial Observer: What was it like working in New Orleans after Katrina?**

**Matt Schwartz:** We were the most active developers in New Orleans after Katrina, one of the first to leverage recovery programs in that region. That was a unique experience for any company in that environment. So, really across industries, we were collaborating with for-profits and nonprofits to be successful in those years.

We had a lot of very close friends that were there. We went down there on the first public flight [after the hurricane] from New York. In those years we were involved in putting the GO Zone programs together as we were looking for opportunities to develop. Our initial projects in New Orleans were mixed-income and affordable projects that were recovery focused. In the neighborhoods we were building large multifamily developments, we were building small-scale retail, restaurants, infrastructure, community gardens; we were doing neighborhood cleanups.

**GO Zone?**

GO Zone. It stands for Gulf Opportunity Zone. We

had access to increased LIHTC credits, block grant funds. They were in-state enterprise funds, there was state infrastructure money. Each one was tapping into different programs. We did a variety of other work in the market but some of that went away at some point. That market evolved significantly.

We did several mixed-income developments: Crescent Club Preserve, Meridian and Gold Seal Lofts — a variety of housing types along a corridor that was evolving into a medical district, where the replacement hospitals were being built. And it included retail and small-scale infrastructure. Katrina was August of 2005, and those projects were delivered in late 2008, early 2009.

The New Orleans we delivered into was very different. We were seeing the redevelopment of the medical centers, the public education system was converting to 100 percent charter. There was a public infrastructure project that connected the medical district to downtown. We did a variety of projects that were retail. We heavily invested in infrastructure and streets to support those projects — a high-rise condo called The Odeon, the Standard and The Park [at South Market], which was a commercial project with retail and parking.

**Talk me through what you all have under construction right now in New York City.**

So Estela is our most recent project to complete. And that's a two-building development in Mott Haven in the Bronx — 549 apartments with some neighborhood retail at the base. And we've finished that building and started leasing it up in May. It's really right in the middle of all the new activity and the development that's taking place along the waterfront.

Also, we have two projects under construction in Gowanus. 420 Carroll is a two-building development with 360 units. And those two buildings actually just topped out a couple of weeks ago. And we have another project in Gowanus called the Majestic, which is 240 units, and that's under construction. Then we have a fourth project, I guess, a sixth building in Long Island City called Jasper that's at 30th and 31st. And that's a 500-unit development with a considerable amount of retail along those retail corridors, particularly 30th. OK, that's the range of what's underway in New York.

**OK, and as for the Jasper, where is it construction-wise?**

That project will be done at the end of next year. So that's a little over a year into construction, and that'll be a late '24 delivery.

**420 Carroll Street in Gowanus — those are the buildings next to Powerhouse Arts, right? I toured that building recently. And I was trying to figure out which project that I could see from the windows.**

They're actually creating a turning basin, right there in between Powerhouse and our site. So that's one of the things that we were really attracted to about that site. We always thought it was an interesting waterfront site — because of that turning basin, and also, on the other side of the site, you have the historic Carroll Street Bridge. It's vehicular but a great pedestrian bridge that connects over to the only existing portion of the [Gowanus] promenade right now, which is in front of the two Bond Street buildings. So that area where we are is actually what's called in the rezoning a special waterfront access area. That's going to be a highly activated, very engaging area with the two promenades facing each other, the bridge right there. And then the water on two sides and the powerhouse. It's going to be a very cool part of Gowanus.

**How much public waterfront space are you doing there?**

I don't know the exact square footage offhand. But it's a pretty considerable amount of retail in the base of those two buildings. So that's about 12,000 square feet of retail at the base, which we'll look to activate with food and beverage and indoor/outdoor seating. And that building will also have, on the second floor, a location of our Shop coworking platform. I'm actually sitting in one right now in Salt Lake — our creative office coworking platform called the Shop. We'll be doing our first one in Brooklyn in that project.

**But is it going to be free to the tenants? How is that going to work?**

No, the tenants will have a work-from-home space [in the amenity lounge]. So we have that in all of our new projects. It could be an amenity for tenants also. Because we operate these spaces, we pay a lot of attention to those spaces within our development. They're very thoughtful in terms of how we lay them out with different seating areas



'We went down there on the first public flight to New Orleans from New York.'

with the technology. We'll put in conference rooms, phone booths, other work-from-home amenities.

This project, 420 Carroll, will have that as all of our projects do. I think that's somewhat unique. But, if somebody wanted to expand upon that space, and they were looking for additional office space within the building that they live in, they could have a team that comes to that building that works out of one of those spaces. They'd have additional meeting spaces available with additional technologies and that type of thing all located within one building.

We launched the Shop brand in New Orleans. We did the second one in Salt Lake City. And this will be the first one we're doing in New York.

**OK, this will be only the third one so far, right?**

Yeah, we are looking to expand the brand. Historically, we've generally done them as part of larger mixed-use projects. So the Shop here in Salt Lake is part of a project called The Exchange, which has a handful of other elements to it. There's a 300-unit multifamily project called Avia, a micro-unit project called Maya. And then ground-floor retail across all those buildings that are anchored by a food hall that we developed and operate called The Local.

**And how many units total in Salt Lake?**

In Salt Lake, we're doing 350 apartments and 210 hotel rooms. The residential project is called Soren. That's a high-rise. And we haven't announced the name of the hotel yet.

**I know your projects here are all under construction so maybe you feel less concerned. But, in New York, everything just feels very challenging right now, because of interest rates and the loss of 421a. How are you feeling about the development environment?**

Yeah, these projects are all under construction. They're all under construction in markets that we're very excited about and that are really changing rapidly. Mott Haven is a great example of that, and an example of the effectiveness of not only the rezoning but the investments that the city's made in that area and infrastructure. We're adjacent, really, we're right within the what's called the Lower Concourse Infrastructure plan. So that includes park space along the waterfront that will ultimately connect to Mill Pond Park, really running down from Yankee Stadium and includes a number of projects, including Bronx Point, which is a couple blocks away from us, where the new Universal Hip Hop Museum will be up and running, all the way down to the southern portion of Mott Haven where Bankside is.

And I'd say it's the same story in Gowanus.



**MIXED-USE MESSAGE:** Domain Companies co-founder Matt Schwartz focuses on "impactful investments" to create mixed-income developments in New Orleans, New York and Salt Lake City.

421a is really an issue citywide, but we're very encouraged by the solution that the governor proposed for Gowanus, which would be a Gowanus-specific pilot program. I'm sure you've followed that, and I think that'll really help maintain the momentum in that area. This is probably one of the most exciting development opportunities we've seen in New York in generations, and I think the rezoning process itself was unique, and I'm certainly hopeful that it sets a precedent for the type of community planning that can be a part of these processes.

And, I think, as a result of that, what we're seeing in that area is not only the creation of housing — it's 8,500 units of housing and 3,000-plus of affordable that the city obviously desperately needs — but a number of other community benefits that are going to be great for the area and for the city.

We're excited about New York and continue to be bullish about the city and the opportunities here, and are looking forward to continuing to invest in New York and grow our business in the city. The expiration of 421a has slowed those plans a bit, of course, in addition to a variety of macro factors that are impacting everybody in our business now. But we remain excited about continuing to build the business and our projects as a replacement to 421a comes to be.

**Are you looking to do more development in Mott Haven in the South Bronx, specifically?**

Yeah. I mean, that's always been our approach. Our roots are in affordable housing; we really see ourselves as being in the community development business first. We've never chased deals or sites. We've really developed a thesis around a particular market, or submarket, and then look to make a series of impactful investments that build value over time. And whether that's been in neighborhoods within New York, or New Orleans, or Salt Lake, really anywhere that we focused, it's been pursuing the strategy that we've pursued for 20 years at this point.

The strategy goes beyond the real estate itself. I mean, we touched on a couple of the projects, our primary focus is mixed-income housing, but we also create retail hospitality. Components of those projects oftentimes serve as the front door for the balance of the community, help create job growth, and activate the street scene in the neighborhood. We really look to create a mix of dynamic uses that really help bring those areas and those projects to life. The Shop is one example of that. It's not just a typical coworking space. It's very place-based, community-focused, anchored by an accelerator incubator component.

**You did a project in Greenpoint a few years ago, right? That was also a 70/30-type project?**

Yeah, that's interesting. That was one program that you don't hear a lot about anymore, but that's called a 50/30/20. So that project at 1133 Manhattan Avenue, was 50 percent market rate, 30 percent moderate income, and 20 percent affordable. But that was an interesting project, too, as that site had been home to the Brooklyn Rapid Transit repair yard. That was the project that was also a brownfield site that we remediated to LEED Gold, actually when we did that, and we were really the first to develop in that northern portion of Greenpoint. From the project we had more or less unobstructed views from one end of Manhattan to the other. And that neighborhood has since changed significantly with Greenpoint Landing right across the street, and then really running all the way down to West Wharf where it's almost entirely contiguous high-rises or mid-rise projects.

Now, especially, with Eagle + West done and that part of the promenade connecting to the bell slip promenade, it's pretty cool. And the way that the new tower on Hunter's Point South kind of hooks out at Newtown Creek. Those two parks kind of look across at each other now, which is pretty remarkable.