

Honing in on affordable housing practice

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Michael Petro

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About a decade into practicing law, **Steven Weiss** found that the niche legal service he provided in federal tax and securities was very much in demand.

He and Albany attorneys **Steven Heyman** and **Geoffrey Cannon** had made a name for themselves in affordable housing and community development law. In fact, Weiss said the lead attorney for the state housing agency would often bring up the three attorneys' names when a related matter came along, saying, "You can't go wrong with any of them."



Years ago they were competitors but Steven Weiss, left, Steven Heyman and Geoffrey Cannon... [more](#)

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The three became friendly competitors and would see each other on the opposite side of similar deals. They'd even call each other from time to time to ask for an opinion on a legal matter.

They served as a resource for one another, each learning this new space as they went along, just like everyone else in the industry. Low-Income Housing Tax Credits for affordable housing had only been around since 1986, created at a time when the federal tax code was overhauled.

Heyman was a seasoned tax lawyer and Cannon a well-regarded transactional attorney, according to Weiss, who considered himself business-minded and eager to learn from both of them.

What started as a conversation between three like-minded attorneys eventually became a shared vision for a partnership. In addition to the unique services they provide, they came together to form an alliance that was just as unique.

When they agreed to start a firm that would incorporate an Albany and Buffalo office, Weiss called that attorney from the housing agency with the news. The state worker

wondered what now to tell people who inquired about the three and Weiss said, “Tell them the same thing you have been.”

Last month, Cannon Heyman & Weiss LLP celebrated its 15th anniversary. Although the attorneys have branched out into historic tax credits for restoration projects, new market tax credits for blighted buildings and renewable energy tax credits for solar and wind, the firm remains committed to affordable housing work.

“Together we really represent the perfect combination,” Weiss said of the partners. “I wouldn’t want to be arrogant enough to say we’ve cornered the market in affordable housing; it’s not that way, and we’re humble people. We work hard and I think we can charge a lot more for what we do but we’d be missing the boat. It’s affordable housing. We want to be advisers in creating affordable housing and charge what amounts to a fee that fits in the budget. That’s what makes what we do special.”

The law firm has grown substantially: It started with seven people, including Weiss and another local in the Buffalo office, and now has a 48-person staff. The 20 employees in Buffalo recently moved to larger space in the Larkin Building on Exchange Street while the Albany office upgraded its space for the fourth time.

Cannon said the group of attorneys practicing in affordable housing is small, particularly in Upstate New York. He doesn’t recall how the conversation ultimately started with Heyman and Weiss but said that once it did, they decided to cast their lot together.

“We rolled the dice,” he said. “There was a synergy involved at the time, so the three of us largely checked our egos at the door and we decided to work collaboratively for the collective good. ... It’s been successful and fun.”

They assist developers looking to create affordable housing and those seeking to repurpose old buildings or work with incentives in blighted communities to gain financing and then help close the deals. The work started with Low-Income Housing Tax Credits mainly in Central New York, the Capital region and Buffalo, but the firm’s growth led them to work in the five boroughs of New York City and other states.

Locally, the monetization of tax credits helped in the revival of the historic Electric Tower, as well a 19th century church saved by singer-songwriter Ani DiFranco now known as Babeville. It has also played a part in Roswell Park Cancer Institute’s expansion and the remodeling of the H.H. Richardson Complex on Forest Avenue.

Weiss said his firm continues to hone its craft, at times even turning away more general practice work. He said this type of niche firm plays the opposite role of a mega-firm that can do it all — where you don’t need to leave the building to get your will done, your environmental matter litigated and have your divorce completed.

“If you have something wrong with your heart, you don’t go to a podiatrist. If you have a specialized, unique and challenging practice or problem, you go to someone who does that

and nothing else. That's sort of what we created. And when you do that, you become excellent at it," he said. "It's a lesson on niche law practice where you commit yourself to focusing on one thing, become adept at it and train yourself so you can train others. And once you have the capacity, you can grow. That's exactly what we've done."

As the firm moved into major markets, fees increased but Weiss insists they are more affordable than many big-city firms.

"I'm proud of what we've achieved," he said. "We work hard to make a difference in people's lives. To be able to grow a business in Western New York and the Capital District by seeking business elsewhere in the country and bringing it home, there's just nothing better. We're going toe-to-toe with the best in the country and, to me, there's nothing that has made me more proud. I feel like a lucky guy and very fortunate to do what we do."

How it works

When the firm started, the partners sublet office space in Albany from Hiscock & Barclay (now Barclay Damon). Weiss decided to do something similar in Buffalo. Employees soon moved into their own space in both cities.

What's also grown are the relationships, according to Cannon. He said the three attorneys and their spouses consider each other friends, even though they live in separate cities: Weiss is in Buffalo, Heyman lives in Saratoga Springs and Cannon is in Albany.

"We kind of have a work hard, play hard atmosphere here," Cannon said. "We tend to all get along and all show each other the respect that should be shown."

And while it might seem peculiar that the partners don't work in the same office, Weiss said the fact that there is distance between them may have helped their relationship last this long. As with any partnership, he said, they have their strengths and weaknesses but respect and collegiality rule the day.

"I think being in three separate cities gives us all a little extra breathing room," Weiss said. "I think that is an important aspect to the success of partnerships."

The partners talk regularly but don't have scheduled meetings. Communication is easy with advancements in technology, said Cannon, adding that he visits Buffalo a few times a year.

Also, the partners try to get employees of the two offices together twice a year, including a weekend outing during the summer.

With five new equity partners and three non-equity partners admitted to the firm in 2016, Weiss said they have become more disciplined in meeting and sharing information and welcoming the new leadership. The firm now creates committees to share management responsibilities and get input from others, as well.

He said the original partners take a hands-off approach to files at times because the firm needs them in a different role. As they've transitioned, a challenge has been letting go and passing the work along. Learning to trust comes as a function of training, give-and-take and supervision, he said.

"I think when you look for trust and confidence, you find it. When you look for the absence of that, it's also what you find," Weiss said. "It's been fun to have a vision for what it is going to look like in the future."

Future vision

Cannon Heyman & Weiss is starting to see what that future holds, according to Weiss. Many of the deals the firm did early on are seeing reinvestment, he said. Those deals get recycled and become a new business line for the firm. Developers can shed their restrictions and become market rate or maintain the affordable status, he said.

Over the next 15 years, he expects that Heyman and Cannon may retire and for him to be close to retirement, so he envisions a group of new leaders at the firm. Growth could include reaching parts of the country where they haven't been before and collaborating with additional firms.

Cannon said there is more opportunity in Western New York now and Buffalo's many historic structures offer a chance to do preservation work.

There's potential for more administrative responsibilities to be located here, Weiss said, as a natural coalescence of leadership moves in the direction of the local office. That could include someday hiring a chief financial officer, to be located in Buffalo.

Cannon predicts steady growth in both offices, though the partners don't envision ever becoming a 100-person firm.

With New York state continuing to fund affordable housing in the budget, Cannon said it's good and bad. While it's a negative that there's dire need for it, the positive is that there is real interest at the state level to address the need.

"I think we're going to stay busy for the foreseeable future," Cannon said.

There's always the potential for tax law changes that could have an impact on the firm and its business, according to Weiss. But he said that regardless of what the financing mechanisms are, there will always be a need for affordable housing. And that brings opportunities for practitioners who are able to change with the times.

"The first 15 years and the second 15 years of this firm are going to look completely different," Weiss said.

Michael Petro is editor and reporter for the Buffalo Law Journal