

NEW YORK, NY (March 12, 2024) - The Legal Aid Society, Legal Services NYC, and Selendy Gay PLLC, together with the New York State Attorney General and the New York City Law Department, secured a consolidated ruling in *Building and Realty Institute Of Westchester and Putnam Counties, Inc., et al. v. State Of New York, et al.* and *G-Max Management, Inc., et al. v. State Of New York, et al.* which upholds the Housing Stability and Tenant Protection Act of 2019 (HSTPA) and New York’s Rent Stabilization Law. Legal Aid intervened on behalf of N.Y. Tenants and Neighbors (T&N) and Community Voices Heard (CVH).

Following its earlier decisions in *CHIP v. City of New York* and *74 Pinehurst v. New York*, the Court emphasized that rent stabilization was enacted “for the purpose of” permit[ting] low- and moderate-income people to reside in New York City and “it is beyond dispute that neighborhood continuity and stability are valid bases for enacting a law.” The Court explained that the landlords’ assertions amount to policy and efficacy disagreements with the legislature, and “rational basis review is not a mechanism for judges to second guess legislative judgment even when, as here, they may conflict in part with the opinions of some experts.”

Today’s ruling follows a decision by the United States Supreme Court to decline to review three Second Circuit decisions dismissing lawsuits by landlord groups challenging New York’s long-standing Rent Stabilization Law (RSL).

In response, Legal Aid, Legal Services NYC and Selendy Gay PLLC, stated:

“Today’s ruling follows other court decisions that have consistently found these landlord lawsuits to be meritless and have dismissed the cases entirely. The court has sent a clear message to all landlord groups toiling away to dismantle tenant protections that New York’s rent stabilization laws and the HSTPA are lawful, sound policies, and are here to stay.

“Both the United States Supreme Court and Circuit Court precedents have upheld New York’s rent stabilization laws, which have been in place since 1969 and have protected millions of New Yorkers. Amid an unprecedented housing and homelessness crisis, rent stabilization has helped preserve affordable housing and prevent displacement and homelessness for countless families.

“As always, we stand with our clients and all tenants across the City, and we will continue to challenge any and all efforts aimed at eroding the well-established and lawful protections of New York’s rent stabilization laws.”

Background:

New York City’s RSL was enacted in 1969 when rents were rising sharply in many buildings. The law has been extended and amended frequently, including by the HSTPA which was signed into law on June 14, 2019 and expanded protections for New Yorkers in rent stabilized housing and strengthened New York’s longstanding rent stabilization laws. Specifically, the HSTPA enacted reforms to rules around preferential rent, vacancy increases, major capital improvements, individual apartment improvements, rent increases, owner occupancy provisions, high-rent/high-income decontrol, and other areas.

Following the implementation of the HSTPA, landlord groups filed several lawsuits seeking to dismantle the HSTPA and end rent-stabilization entirely, arguing that the laws amount to unconstitutional takings and due process violations.

The Legal Aid Society, Legal Services NYC, and Selendy Gay (led by SG lawyers Faith Gay, Sean Baldwin, and Babak Ghafarzade, together with their former colleagues Judge Caitlin Halligan and Michael Duke) successfully intervened in defense of the HSTPA and RSL on behalf of N.Y. Tenants and Neighbors, Community Voices Heard, and Coalition for the Homeless, which represent thousands of members who are rent-stabilized tenants and who stand to lose their homes if the landlord groups succeed.

These community groups successfully moved in District Court to dismiss all five of the cases, along with the City and State co-defendants. The landlords and landlord groups appealed the dismissals to the Second Circuit Court of Appeals, which recently upheld the District Courts’ decisions in *Building and Realty Institute Of Westchester and Putnam Counties, Inc., et al. v. State of New York, et al.* and *G-Max Management, Inc., et al. v. State of New York, et al.*; and previously upheld three District Courts’ decisions in *Community Housing Improvement Program et al. v. City of New York, et al.*, *74 Pinehurst LLC et al. v. State of New York, et al.*, *335-7 LLC v. City of New York et al.* Those landlords and landlord groups sought and were denied certiorari from the United States Supreme Court.

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The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and

helps improve our communities. <https://www.legalaidnyc.org>

Legal Services NYC fights poverty and seeks racial, social, and economic justice for low-income New Yorkers. For over 50 years, LSNYC has challenged systemic injustices that trap people in poverty and helped clients meet basic needs for housing, income and economic security, family and immigration stability, education, and health care. LSNYC fights every day to ensure New Yorkers and their families have access to the services, resources, and protections they need to survive.
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Selendy Gay is a premier litigation law firm based in New York. In addition to its commercial trial, appellate, and arbitration practices, the firm has a foundational commitment to public interest and pro bono work. Selendy Gay regularly takes on substantial pro bono individual and class representations, supporting legal service organizations and partnering with federal, state, and local government officials to identify cases where the firm can make a meaningful contribution. In 2022, Chambers and Partners named Selendy Gay “Outstanding Firm for Pro Bono in the U.S.” <https://www.selendygay.com/>