

Supreme Court Declines Landlord Challenge in Major Victory for Rent Stabilization in New York

February 22, 2024

In a significant victory for rent stabilization in New York, the U.S. Supreme Court denied certiorari in two more rent-stabilization cases that Selendy Gay has been litigating alongside The Legal Aid Society and Legal Services NYC since 2019. The decisions leave in place the Second Circuit's judgments affirming the dismissals of Takings Clause and other constitutional challenges to the rent-stabilization regime in New York by three groups of landlords and landlord associations.

The team at Selendy Gay is led by partners Faith Gay and Sean Baldwin, Special Counsel Corey Stoughton, and associate Babak Ghafarzade.

Rent stabilization, which has existed in some form or another in New York for a century, protects tenants in about a million apartments in NYC (half the city's rental housing stock) and tens of thousands of apartments across the state. The laws and regulations protect tenants against rent shocks and unjustified evictions, while allowing landlords to make reasonable returns, evict unsatisfactory tenants, or exit the rental market altogether through various means.

After the state legislature enacted a sweeping set of amendments to rent stabilization and other landlord-tenant laws in 2019, five groups of landlords and landlord associations filed separate federal lawsuits attempting to either nullify the 2019 amendments or pull out the entire rent-stabilization regime root and branch. Along with Legal Aid and Legal Services NYC, Selendy Gay [obtained intervenor status](#) for three tenant-advocacy organizations that were instrumental in lobbying for the 2019 amendments: N.Y. Tenants & Neighbors, Community Voices Heard, and Coalition of the Homeless.

After [winning dismissals](#) of [all five suits](#) on the pleadings, Selendy Gay and its co-counsel defended those decisions on appeal before the Second Circuit, which has so far [affirmed](#) in three of the cases. Decisions are pending in the remaining two cases.

The landlords in the first three cases petitioned the Supreme Court for certiorari review. The Supreme Court denied the first petition last October, and on February 20, 2024, [issued an order](#) declining to review two more of the cases as well.

Upon the decision, Selendy Gay, The Legal Aid Society, and Legal Services New York released the following joint statement:

"Since 1969, New York's Rent Stabilization Laws have protected millions of tenants, preserved affordable housing, and prevented mass displacement and homelessness in a city where the rents are the highest in the country and rising. Today's decision by the U.S. Supreme Court declining to review the Second Circuit's well-reasoned dismissals of these lawsuits is in line with well-established precedent and puts an end to these cases attacking the legal protections depended upon by a million New York households amid an ongoing housing crisis."

Eric Adams, Mayor of New York City, expressed approval of the Supreme Court's decision to deny the petitions, saying in a statement, "For 50 years, rent stabilization has kept rents affordable for millions of New Yorkers and their families. Today, tenants can breathe a sigh of relief. As this administration tackles the city's affordability crisis from all angles, we remain committed to defending New York's rent stabilization laws so tenants can afford to stay in their homes and communities."

New York Governor Kathy Hochul also praised the decision, stating "I am relieved that the Supreme Court has denied petitions for certiorari in three cases that threatened New York's nation-leading rent protections. Our rent stabilization laws, which were first passed nearly six decades ago and reaffirmed consistently by lower courts since, remain some of our state's most powerful tools to fight inequality,

preserve affordability, and keep New Yorkers safely housed in their own communities. As Governor, I will continue doing everything in my power to ensure these laws are protected.”

The cases are:

1. *Community Housing Improvement Program v. City of New York*, 492 F. Supp. 3d 33 (E.D.N.Y. 2020), *aff'd*, 59 F.4th 540 (2d Cir.), *cert denied*, 144 S.Ct. 264 (2023).
2. *74 Pinehurst LLC v. New York*, 492 F. Supp. 3d 33 (E.D.N.Y. 2020), *aff'd*, 59 F.4th 540 (2d Cir. 2023), *cert denied*, --- S.Ct. ---, 2024 WL 674658 (Feb. 20, 2024).
3. *335-7 LLC v. City of New York*, 524 F. Supp. 3d 316 (S.D.N.Y. 2021), *aff'd*, 2023 WL 2291511 (2d Cir. Mar. 1, 2023), *cert denied*, --- S.Ct. ---, 2024 WL 674658 (Feb. 20, 2024).
4. *Building & Realty Institute of Westchester & Putnam Countys, Inc. v. New York*, 2021 WL 4198332 (S.D.N.Y. Sept. 14, 2021), *appeal pending*, No. 21-2448 (2d Cir.).
5. *G-Max Management., Inc. v. New York*, 2021 WL 4198332 (S.D.N.Y. Sept. 14, 2021), *appeal pending*, No. 21-2526 (2d Cir.).

Attorneys

- Sean Baldwin
- Faith Gay
- Corey Stoughton
- Babak Ghafarzade

Practice

- Public Interest and Pro Bono