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LANDLORD-TENANT LAW

HSTPA'S Impact On Owner's Proceeding


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The Housing Stability and Tenant Protection Act of 2019 (HSTPA), effective as of June 14, 2019, made significant changes to both the rent laws and the laws governing landlord-tenant proceedings in New York State. Among the many significant changes, Part I, §2, which amended Administrative Code of the City of New York § 26-511[c][9][b], provides that no rent stabilization code can be enacted unless it provides that no owner may refuse to renew a lease except: "where he or she seeks to recover possession of *one dwelling unit* because of immediate and compelling necessity for his or her own personal use and occupancy as his or her primary residence or for the use and occupancy of a member of his or her immediate family as his or her primary residence, *provided, however, that this subparagraph shall permit recovery of only one dwelling unit*" (emphasis supplied).

This section of the Administrative Code had previously provided that an owner could refuse to renew a lease "where he or she seeks to recover possession of *one or more dwelling units* for his or her own personal use and occupancy as his or her primary residence (emphasis supplied)" and/or for the use or occupancy of a member of his or her immediate family as his or her primary residence.

'Fried v. Galindo'

In a recent decision from the Civil Court, Kings County in *Fried v. Galindo*, NYLJ 1564952675NY6633418 (Civ. Ct. Kings Co, July 31, 2019) (*Fried*), the court (Judge David Harris) was faced with the question as to whether the HSTPA's amendment of the above Administrative Code section applies to a pending proceeding concerning an owner's notice of intent not to renew and to terminate the tenancy ("Golub notice") which was delivered to the tenant long before the HSTPA's effective date. The court held that the amendment was applicable and, as a result, dismissed the proceeding.

In *Fried*, the owner had delivered a Golub notice to the tenant which expired on April 30, 2018, which advised that the owner sought to recover "all apartments in the building" to covert it into a single family home to be occupied as owner's primary residence. After numerous delays in the proceeding, the tenant moved, after the enactment of the HSTPA, to dismiss the proceeding on the ground that the amendment to the HSTPA, which now permits an owner to recover only one dwelling unit for his or her personal use, rendered the Golub notice defective and required the dismissal of the proceeding.

In arguing that the HSTPA applied to the pending proceeding, the tenant referred to Part I, §5 of the

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HSTPA, which provides that "[t]his act shall take effect immediately and shall apply to any tenant in possession at or after the time it takes effect, regardless of whether the landlord's application for an order, refusal to renew a lease, or refusal to extend or renew a tenancy took place before this act shall have taken effect."

The owner maintained that the HSTPA's amendment to the Administrative Code at issue was not applicable to the pending proceeding, and applied only prospectively, because the HSTPA was "speaking directly to the processing of applications and notices to terminate a tenant's lease for personal use, not applications and notices to terminate a tenant's lease that have been contested and already brought as proceedings in court." In support of his contention that the HSTPA section was only to apply prospectively, the owner relied on *Duell v. Condon*, 84 NY2d 773 (1995), where the Court of Appeals held that whether a statute is to be applied prospectively or retroactively generally requires determination of legislative intent.

The court held that the HSTPA amendment was applicable and therefore required the dismissal of the proceeding. In rejecting the owner's interpretation as to the applicability of the HSTPA, the court stated that the section of Part I governing the effective date and applicability "specifically mandates the immediate effect of its provisions and their applicability to any tenant in possession at or after the time it takes effect, and applies to such tenants whether or not the landlord's actions occurred before or after its enactment." The court stated that "the plain language of the statute explicitly addresses its applicability to all tenants in possession at the time of its enactment, without regard to when petitioner's refusal to renew the lease occurred."

In 'Fried,' the court was faced with the question as to whether the HSTPA's amendment of the above Administrative Code applies to a pending proceeding concerning an owner's notice of intent not to renew and to terminate the tenancy which was delivered to the tenant long before the HSTPA's effective date. The court held that the amendment was applicable.

The court also observed that the "Rent Stabilization Law is remedial in nature, and subject to broad interpretation to effect its purposes." It found that where, as in the case before it, "the language of the statute is clear and unambiguous, there is no reason to judicially engraft anything upon the ordinary meaning of the words employed therein." Thus, the court concluded that the amendment to the HSTPA precluded the owner's recovery of possession of all apartments in the building, which was the stated purpose in the Golub notice, thereby requiring the dismissal of the proceeding.

Conclusion

The HSTPA has made hugely significant changes to both the rent laws and landlord-tenant relations in the state of New York, and it goes without saying that there will be many issues that will need to be resolved by the courts regarding the statute's applicability and meaning. As decisions are issued, we will try in this column to keep the landlord-tenant bar apprised of significant developments in the interpretation of this historic new body of law.