



NEW YORK STATE SENATOR

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State Senator Squadron, Borough President Stringer, Electeds File Amicus Briefs on IPN Case, Urging Appeal of Decision That May Jeopardize Tens of Thousands of NYC Tenants

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Independence Plaza North was deregulated in 2004 while management company continued to receive tax abatements requiring rent stabilization

August 16, New York, NY – State Senator Daniel Squadron and Manhattan Borough President Scott Stringer filed amicus briefs today with the New York State Court of Appeals in support of Independence North Tenants and affordable housing, jointly with Congressmember Jerrold Nadler, Council Speaker Christine Quinn, State Senator Tom Duane, Assemblymember Deborah Glick, Assemblymember Brian Kavanagh, Councilmember Margaret Chin, Councilmember Daniel Garodnick and Manhattan Community Board 1. Standing with longtime tenants of IPN, Stringer and Squadron joined Community Board 1 members to announce their decision to file amicus briefs asking the Court of Appeals to review a decision that threatens to end rent stabilization for Independence Plaza North tenants and risks displacing tens of thousands of other tenants throughout the city.

Independence Plaza North, a former Mitchell-Lama complex, was purchased by Lawrence Gluck of Stellar Management in 2004. Shortly thereafter, Stellar Management moved many formerly rent-stabilized apartments toward market rates. However, Stellar Management continued to receive J-51 benefits for two years afterwards. Gluck later claimed he was unaware that the company was receiving the tax abatements and HPD permitted Gluck to repay the City the amount received in J-51 tax benefits, plus interest.

In 2010, the New York State Supreme Court sided with tenants, making a formal declaration that the building is rent-stabilized. That decision was overturned by the Appellate Division on April 3, 2012 in *Denza v. Independence Plaza Associates*, which, by essentially making rent regulation optional for J-51 landlords, may jeopardize the tens of thousands of NYC residents living in post-1973 buildings that receive J-51 benefits and are currently in any temporary, income-based program.

The tenants of IPN now have a last opportunity to appeal and have their case heard by the Court of Appeals. Borough President Stringer and State Senator Squadron's amicus briefs support the tenant's motion to have the Court of Appeals consider an appeal of the decision issued by the Appellate Division.

Senator Squadron's brief, which is available at tiny.cc/SquadronIPNBrief, argues, "The issues to be raised in the appeal of the decision below are by no means unique to this case. In fact, IPN is just one of numerous affordable housing developments threatened by the City's unending affordable housing shortage. That housing shortage continues to cause the displacement of middle income New Yorkers as fewer and fewer housing units are protected by the State's housing affordability statutes. Policy makers need every tool at their disposal to maintain the City's affordable housing stock, including granting J-51 tax abatement benefits that do not terminate when an affordable housing development's other affordability protections cease."

"IPN is the keystone at the center of a Tribeca community that simply wouldn't have existed without it. Now we have one last chance to push back against a decision that jeopardizes the IPN community and thousands of affordable homes around the City. I hope the Court of Appeals will carefully consider our amicus brief and provide IPN residents the fair hearing they deserve," said **State Senator Daniel Squadron**. "Let's be clear: J-51 is not just a tax break. It's a program designed to increase equality and affordability of housing across the City."

Borough President Stringer's brief, which is available here, states that "the express purpose and legislative intent of the J-51 program is to ensure that the receipt of tax benefits be directly conditioned upon a guarantee of long-term sustained rent regulation. As I successfully argued in my amicus briefs supporting the tenants of Stuyvesant Town and Peter Cooper Village in the landmark case of *Roberts v. Tishman Speyer*, rent-stabilization is a core condition of the J-51 program, and the Court of Appeals agreed, saving the homes of thousands of tenants around the city."

"The Court of Appeals now represents a final opportunity to resolve a harmful decision that threatens the homes of thousands of tenants at IPN and citywide and undermines the deeply established and necessary policy goals of affordable housing for New York," said **Manhattan Borough President Scott Stringer**. "IPN residents built the TriBeCa community. They moved downtown when no one else wanted to live here. As the neighborhood continues to change, it's imperative that developments like IPN remain affordable to ensure that TriBeCa can be a community for all. I urge the Court of Appeals to carefully weigh the arguments put forth in the amicus brief that I am submitting today. We cannot give up on the affordability of IPN and the city's housing."

"I am proud to join the residents of IPN, Community Board 1, and my fellow elected officials in urging the Court of Appeals to hear this appeal and preserve robust affordable housing protections under the J-51 tax benefit program," said **Congressman Jerry Nadler**. "The core purpose of the J-51 program was always to provide and protect long-term affordable housing for residents. The impact of this decision on IPN's tenants, and on New York City as a whole, will be enormous. We cannot afford to have landlords who accepted public subsidies in exchange for a commitment to affordability now be permitted to opt out of their commitments."

"Landlords who participate in the J-51 tax abatement program should not be permitted to break their obligations prematurely," said **Speaker Christine C. Quinn**. "I am proud to stand with Borough President Stringer, State Senator Squadron, Council Members, tenants and elected officials to urge the Court of Appeals to hear the tenants' appeal and reverse the lower court's incorrect decision as soon as possible."

"The current ruling of the Appellate Division creates dire consequences not only for Independence Plaza North (IPN) tenants, but for tenants of every building and complex currently in the J-51 tax abatement program including Stuyvesant Town and Peter Cooper Village, which approximately 25,000 of my constituents call home," said **Senator Thomas K. Duane**. "It is my hope that our amicus brief will be just one of the many sound, equitable and justified reasons the New York State Court of Appeals will decide to review this crucial case and allow IPN tenants to appeal the Appellate Division's dreadful decision."

"I am pleased to join my colleagues on this amicus brief regarding the J-51 Abatement Program at Independent Plaza North. Case law clearly dictates that a landlord who receives the benefits of a J-51 Abatement cannot summarily decide to leave the program even when their property exits the Mitchell-Lama program. The J-51 Program was designed to ensure that rent stabilized tenants remained in their homes. If this ruling is not overturned thousands of tenants will be put in jeopardy across New York City," stated **Assemblymember Deborah J. Glick**.

"It is essential for the vitality of our city and the integrity of our communities that we preserve housing that is affordable for middle class working families," said **Assemblymember Brian Kavanagh** who serves on the Assembly Housing Committee and has introduced numerous bills to strengthen the rent laws and protect tenants from unfair housing practices. "What's at stake in the IPN court case is not just the future of IPN, but the effectiveness of the J-51 program, one of our key tools for promoting affordability in communities like this one. I stand with the tenants here and all tenants who might be adversely affected if the appellate decision stands."

"It is imperative that the Court of Appeals review the decision against Independence Plaza North," said **Council Member Margaret S. Chin**. "This decision is an imminent threat to the affording housing stock in New York City. The Appellate Division has set a dangerous precedent that gives landlords a clear pathway to the improper deregulation of affordable housing units. This is to the detriment of the City of New York, and to our community. This decision allows property owners to reap the benefits of programs meant to encourage the development of affordable housing, while circumventing rent regulation laws and weakening eviction protection. I urge the New York State Court of Appeals to reverse this disastrous decision by the Appellate Division. If the Court fails to do so, thousands of working families, seniors, and low-income New Yorkers will be forced out of their homes. I want to thank my colleagues for their support, and especially Manhattan Borough President Scott Stringer, for filing the amicus brief on behalf of the lower Manhattan elected officials."

"When a property benefits from tax abatements through J-51, the owner is accountable for keeping units stabilized for the duration of the J-51 agreement. That is what the law intended, and that is what the law must require," said **Council Member Dan Garodnick**, a member of the plaintiff's class in the *Roberts v. Tishman Speyer* litigation. "The *Roberts* case should not be undermined."

"CB1 supports the pioneers of TriBeCa, the residents of IPN who were instrumental in creating the TriBeCa we know today: homes, schools, parks and ball fields. We must stand with them," said **Catherine McVay Hughes, Chair of Community Board 1**. "Therefore, CB1, along with many elected officials, has signed onto this amicus brief to support one of the few affordable housing options left in our changing community."

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