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Cuomo initiative to protect New York tenants wins court backing



FILE PHOTO: New York State Governor Andrew Cuomo enters the room before the arrival of Democratic U.S. presidential candidate Hillary Clinton at her New York presidential primary night rally in the Manhattan borough of New York City, U.S., on April 19, 2016. REUTERS/Adrees Latif/File Photo

By **Jonathan Stempel** | NEW YORK

A New York state judge has upheld the legal authority of the Tenant Protection Unit, a key initiative of Governor Andrew Cuomo to protect rent-regulated tenants from overcharges, harassment and intimidation by unscrupulous landlords.

Cuomo on Tuesday called the decision by State Supreme Court Justice Richard Velasquez in Brooklyn, which also upheld other tenant protections adopted in 2014, a victory for the more than 2 million rent-regulated tenants in the state.

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The tenant protection unit was created within the state's Division of Housing and Community Renewal in 2012, pursuant to a law adopted the prior year that curbed landlords' ability to raise rents and charge market rates by deregulating units.

Then in 2014, the DHCR adopted additional tenant protections, such as when landlords

<https://www.reuters.com/article/us-new-york-cuomo-tenants-idUSKBN1942OZ>

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fail to provide required services or try to raise rents after upgrading apartments.

Several building owners and landlord groups including the Rent Stabilization Association sued in February 2014, saying the changes deprived them of safeguards without due process and improperly delegated legislative power to the DHCR.

But in his May 31 decision, which lawyers received on Friday, Velasquez said the DHCR did not "usurp" legislative authority, and landlords still enjoyed "a fair and meaningful opportunity" to defend against claims of willful overcharges.

Sherwin Belkin, a lawyer for the plaintiffs, in an interview called the 2014 changes "faulty," and said "we are of course disappointed in the court's decision." He said his clients are weighing their next legal steps.

New York, and especially New York City, has some of the nation's most expensive housing, but rent regulation helps keep hundreds of thousands of people from moving out.

Landlords have long sought higher rents they say are needed to cover their costs and help them operate profitably. Tenant advocates often counter that rents are too high.

Last week, Steven Croman, a major Manhattan apartment building owner dubbed the "Bernie Madoff of landlords" by state Attorney General Eric Schneiderman, agreed to serve one year in the Rikers Island jail and pay \$5 million after pleading guilty to fraudulent loan refinancing and tax fraud.

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In 2015, state and local officials including New York City Mayor Bill de Blasio set up a Tenant Harassment Prevention Task Force to find and punish problem landlords.

Cuomo, a Democrat, is widely considered a potential White House candidate in the 2020 U.S. presidential election.

The case is Portofino Realty Corp et al v New York State Division of Housing and Community Renewal et al, New York State Supreme Court, Kings County, No.

501554/2014.

(This version of the story was refiled to correct location of judge to Brooklyn instead of Manhattan in second paragraph)

(Reporting by Jonathan Stempel in New York; Editing by Tom Brown)

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