

## THE REAL DEAL

## Julia Salazar calls legal challenge to rent law "hypocritical and unethical"

Tenant groups say 125-page complaint is a lot of bluster, but premised on weak legal arguments

By Georgia Kromrei | July 18, 2019 07:00AM





Senator Julia Salazar (Credit: Salazar for Senate, and iStock)

Real estate attorneys and lobbyists believe two landlord groups' constitutional challenge to New York's rent regulations could ultimately eliminate the practice of rent stabilization altogether. To that, tenant groups say: fat chance.

Senator Julia Salazar, who led the push for Universal Rent Control in the new Democratic Senate, was unfazed by the legal challenge, filed on Monday by the Rent Stabilization Association (RSA) and Community Housing Improvement Program (CHIP) and three of its members.

\*\*The gest real estate lobby says that big business shouldn't have to pay for public assistance, yet articles remaining \*\* rest of us to foot the bill for landlords' costs," she said. "Rent regulation is not public

assistance, which we could agree is still necessary."

Salazar says the lawsuit, which argues violations of the Fifth and Fourteenth Amendments, is off the mark. The changes to rent stabilization law balance the scale and end policies that unfairly favored landlords — not eliminate profits altogether, she told The Real Deal in an interview.

"It is hypocritical and unethical to insist that wealthy property owners deserve the tax breaks and government subsidies, while tenants and working families don't deserve rent regulation," she said.

According to Cea Weaver, the campaign coordinator for Housing Justice for All, a statewide tenant coalition that pushed for the reforms, the industry is desperate and clinging to a Hail Mary.

"They are flailing. They are throwing shit at the wall to see what sticks," she said. "They are trying to prove to their members that they are sticking up for them."

Weaver also noted that tenants are only energized by the recent victory, and are laser-focused on their next strategic goals. Last weekend, scores of tenants from Queens to Rochester met in Albany to hammer out a renewed push for Good Cause eviction—the battle has just begun.



Housing Justice for All Cea Weaver (Credit: RentLogic)

"It's not as though we won universal rent control," Weaver said. "We fixed the way in which landlords could use rent stabilization to drive displacement. We didn't restabilize the market. We just fixed the balance. They're still making tons of profit."

Real estate attorneys say that a broad challenge to the rent law has been a long time coming — and that the current makeup of the United States Supreme Court tilts the scale in their favor. Industry figures also point to the recent Supreme Court decision that found the government violates the takings clause of the Fourteenth Amendment when it takes property without compensation.

## "I am not worried."

But tenant attorneys say the real estate industry overly optimistic, mostly because the last attempt at overturning the rent laws, a case brought by two Upper West Side landlords in 2012, was dismissed at the district court level and then quickly disposed of by the 2nd Circuit in a brief decision. The U.S. Supreme Court declined to hear the case, and deferred to the lower court without a decision.

According to Ellen Davidson, an attorney in the Law Reform Unit of the Legal Aid Society, there are significant obstacles to overturning rent stabilization law.

"The Supreme Court would have to overturn three previous cases and basically find that the government cannot regulate property. The two most recent cases on rent control laws had no dissents. I am not



Other tenant attorneys say that the real estate industry's larger strategy may be to cause panic in the tenant community, even as tenant advocates struggle to educate tenants on the new changes to the law that governs millions of renters in NYC. Bianca Macpherson, who crafted the original language for the Major Capital Improvements bill after "hundreds of meetings" with tenants, said that she saw this lawsuit coming.

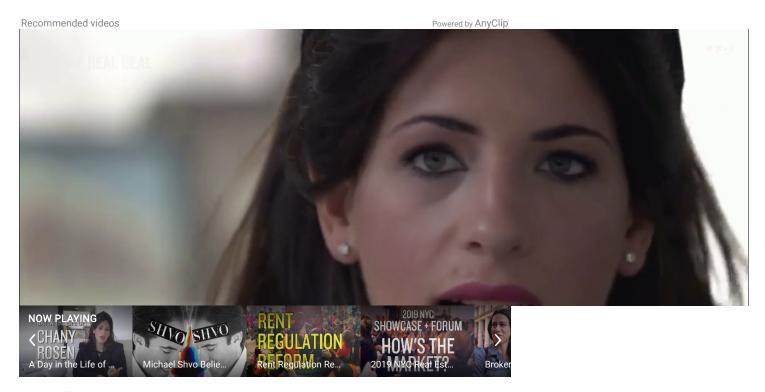
"This lawsuit was expected. Their strategy is to distract the tenant movement from moving forward with the new rent laws, while we are educating tenants about the rent laws — and about what the tenant movement didn't get."

After so many years batting away attempts by tenants to win reforms, MacPherson said that the real estate industry was unprepared. Meanwhile, while tenants were losing legislative battles, they were getting a master class in strategy.

"It's not like one year this group formed and happened. This was the result of decades of work in the tenant movement. Every year, losing for so many years, and learning from that. For this lawsuit to happen now is like 'really guys?"

## This story is part of our continued coverage of landlords' battle against the Rent Regulation Act of 2019. Read more below:

- -What you need to know about the new challenge to New York's rent law
- —Meet the landlords trying to dismantle the new rent regulations
- -Game over: Inside landlords' crushing loss in Albany



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