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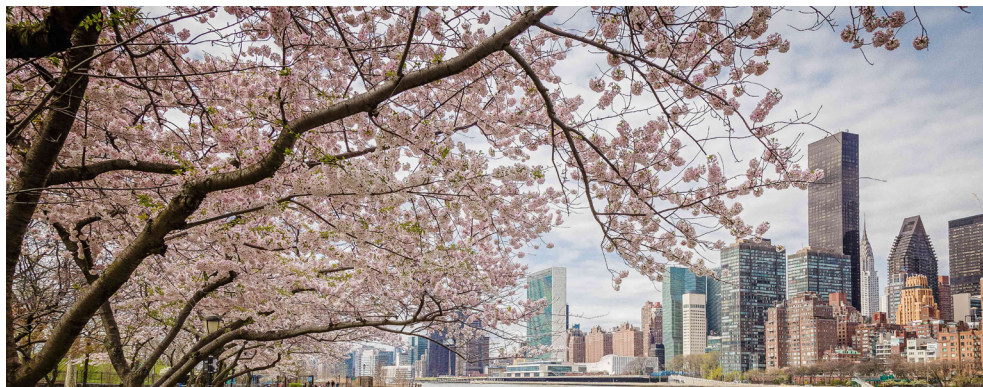
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TRANSACTIONS AND FINANCING

Taking the Bite Out of Non-Recourse Carve-Outs



BY MURRAY D. SCHNEIER

Once the Internal Revenue Service ruled that limited liability companies are treated as partnerships for tax purposes, this spurred widespread state enactment of limited liability company laws. A new form of real estate ownership ensued that includes the benefit of pass-through taxation combined with protection from personal liability. In addition, this form of ownership also allows for more operational flexibility in terms of company management.

Shortly after the limited liability company ownership of real estate became ubiquitous, and following the savings and loan crisis, lenders began to commonly use recourse carve outs as a means to allow lenders to pursue personal liability against the members of the limited liability companies who signed guarantees with regard to certain “bad boy” acts (which were and are defined as the most serious defaults under the loan documents). The loan remained non-recourse for the “normal” defaults. This meant in essence, but for such “bad boy” acts, upon a default, lender could only exercise its remedies against the collateral but not against the personal assets of the members of the borrower entity.

Initially, these “bad boy” acts were commonly defined as fraud, misapplication of funds, environmental damage and bankruptcy. Over time, they evolved to cast a wider net of borrower acts, including a more expansive list of defaults that have in this broader litany of defaults changed the non-recourse loan into a recourse loan in many circumstances. This in turn has allowed lenders to pursue the personal assets of the guarantors for damages related to these significantly broadened acts even though the loan is referred to as non-recourse. Lenders have effectively used these springing personal guarantees to mitigate risk in non-recourse loans.

The expansion of these “bad boy” acts has birthed an extensive negotiation to create carve outs to the carve outs to mitigate the likelihood of the loan becoming recourse.

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Some of the more common borrower comments to reduce the possibility of recourse liability include the following:

- Limiting “waste” to intentional physical waste to the extent of revenues generated by the property and without the requirement of additional capital contributions-this protects against when the property is not profitable, and the owner decides not to continue to bleed money into an unsuccessful transaction.
- If the lender is collecting a reserve for real estate tax payments and/or payments of insurance premiums, carving out from the failure to pay real estate taxes or insurance premiums, to the extent there are sufficient funds allocated to pay such real estate taxes or insurance premiums in the applicable reserve account and lender’s access to such funds is not restricted or constrained in any manner-this protects against monies being set aside for such payments and lender intentionally not using such funds in an attempt to enforce the recourse guaranty.
- Misappropriation, misapplication or conversion by a borrower of any rents, proceeds and awards should specifically state that any funds applied by borrower pursuant to the terms and conditions of the loan documents shall not be considered “misapplied” or “misappropriated” for the purposes of this carve out.

Of course the relative leverage of the parties dictates the realization of limitations on recourse obligations, but defaults such as open mechanic’s liens, failure to maintain a certificate of occupancy, removal or disposal of personal property, amendment/modification of leases without lender’s consent and casualty/condemnation restoration issues are all matters that have specific conditional requirements in the loan documentation. Lenders have sufficient remedies if such conditions have not been satisfied within the time period proscribed. These are not events that should change the nature of the loan from non-recourse to recourse.

Finally, there should be no recourse liability subsequent to the date the borrower no longer has control of the property following the earlier to occur of (i) a foreclosure or deed-in-lieu of foreclosure and (ii) the date on which the receiver, trustee, liquidator or conservator takes control of the property (except with respect to acts taken by borrower or its affiliate after such date).

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CO-OP AND CONDO

When Courts Second-Guess Board Decisions: How Your Governing Documents Can Change a Court’s Review of Board Decisions



BY JAMES CUTTING

Cooperative and Condominium Boards often assume the business judgment rule will shield their decisions from judicial scrutiny. See *Levandusky v. One Fifth Ave. Apt. Corp.*, 75 N.Y.2d 530. That assumption is not always correct. When a proprietary lease or a condominium by-law provides that consent may not be “unreasonably

withheld,” courts may independently evaluate whether a board’s decision was reasonable.

Two cases illustrate the difference:

1. An Unreasonable Denial Results in an Award of Attorney’s Fees to the Shareholder

In *Estate of Del Terzo v 33 Fifth Ave. Owners Corp.*, 136 AD3d 486 (1st Dept 2016) the estate of a deceased shareholder sought to transfer the cooperative apartment to her two adult sons.

The proprietary lease contained a specific provision governing intrafamily transfers. Paragraph 16(b) of the lease provided that the Board’s consent “*shall not be unreasonably withheld* to an assignment of the lease and shares to a financially responsible member of the Lessee’s family.”

The cooperative Board denied the application, and cited several reasons for its denial: (i) it believed only one of the sons was financially qualified to carry the apartment; (ii) it expressed concern that the proposed occupants could result in overcrowding; and (iii) it noted that one son did not intend to occupy the apartment as his primary residence.

The court rejected those justifications and concluded that the denial was unreasonable under the lease provision. The court found that the Board: (i) failed to consider the sons’ combined financial capacity, where one son had substantially stronger finances than the other; (ii) refused to consider one son’s offer to personally guarantee the apartment’s financial obligations; and (iii) relied on speculative concerns about potential future occupancy of the apartment.

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Because the lease imposed a reasonableness requirement, the business judgment rule did not shield the Board's decision. The court held that the cooperative had unreasonably withheld consent, ordered the transfer approved, and directed the cooperative to pay the shareholder's attorneys' fees incurred in the litigation.

Lesson: When a lease says consent cannot be "unreasonably withheld," courts may examine the Board's reasoning and require that the decision be supported by legitimate, non-speculative building concerns.

2. What do the Courts Consider to be "Reasonable"?

A useful illustration of a reasonable denial appears in *West v. 332 E. 84th St.*, 2008 N.Y. Misc. LEXIS 10900 (Sup Ct, NY County July 22, 2008, Index No. 107708/2006) which involved a shareholder's request to add a second bathroom in a cooperative apartment.

The proprietary lease required Board approval for alterations and provided that such consent could not be "*unreasonably withheld or delayed*". The shareholder sought permission to install a new bathroom that would require additional plumbing lines and would place the new bathroom over living space in the apartment below.

The Board denied the request.

The Board explained that the building, constructed in the 1920s, still relied on its original plumbing infrastructure. Engineering reports indicated that the aging copper and brass piping was delicate and susceptible to damage if stressed. The Board was also concerned that adding new plumbing lines and permitting "wet over dry" construction could increase the risk of leaks and property damage to the apartments below.

Applying the lease's reasonableness standard, the Court upheld the Board's decision. The Court explained that a Board's refusal will be sustained where its decision has a reasonable basis and is legitimately related to the welfare of the cooperative.

Because the Board's decision was grounded in concerns about the building's aging plumbing system, the risk of water damage, and the precedent such alterations might create, the Court concluded that the Board had a reasonable basis for denying consent and granted summary judgment dismissing the shareholder's claims.

Lesson: A Board may reasonably withhold consent where its objections are grounded in legitimate building concerns, such as protecting building systems, or preventing potential property damage.

3. The Reason Given for a Denial Matters

Another lesson from these cases is that courts focus closely on the reason the Board gave at the time it made its decision.

Del Terzo and *West* further demonstrate that courts will generally limit their review of these decisions to the reasons articulated at the time the decision was made and will not uphold a decision based on after-the-fact explanations developed during litigation.

For Boards, this means the rationale for a denial should be tied to legitimate building concerns, explained to applicants, and clearly reflected in a contemporaneous record of the decision.

4. Preserving Board Discretion

None of this means that Boards lack authority. Courts routinely defer to Boards when they act within the authority granted by the governing documents.

Boards are best protected when they (i) ground decisions in express authority contained in the lease or bylaws; (ii) apply policies consistently and prospectively; (iii) tie any denial to legitimate building interests such as safety, financial stability, or avoidance of risk; and (iv) ensure the rationale supporting the decision is articulated and clearly documented in the record at the time the determination is made.

5. Bottom Line

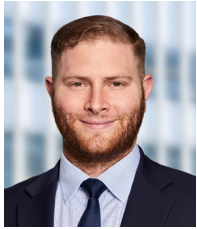
Normally, Courts will pay deference to board decisions as long as they are made within the Board's powers under the governing documents, in furtherance of a valid corporate purpose, and are made in good faith. But when governing documents require that consent not be "unreasonably withheld," courts may review a Board's decision more closely.

Boards should therefore review their governing documents carefully before acting on applications for transfers, sublets, or alterations. Where the documents impose a "reasonableness" requirement, courts may examine both the Board's reasoning and the record supporting it. Careful documentation of legitimate building concerns can make the difference between having a decision upheld or overturned.

Boards and managing agents with questions about how governing documents affect the review of Board decisions, or who would like guidance in evaluating a particular application or proposed Board action, are encouraged to contact our Cooperative and Condominium practice group.

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The Loft Board's Proposed Amended Regulations



BY MICHAEL BOBICK

For those with Loft Law buildings, on July 17, 2025, the Loft Board voted to initiate the rulemaking process under the Citywide Administrative Procedure Act for two different sections of the Loft Board's regulations (Title 29 of the Rules of the City of New York).

The first section proposed to be amended is the Loft Board's protected occupancy regulations. Specifically, "the proposed amendments would make clear that representations and deductions on tax returns prior to filing for protected occupancy alone are not determinative." This rule change would effectively make applying for protected occupant status easier. It would also provide the Loft Board with more authority and flexibility to grant tenants Loft Board protection even where primary residence is questionable. But why would the Loft Board do this?

The Loft Law was meant to protect individuals who poured their sweat equity into a unit, by building/developing a space from raw to livable. Very often these individuals had nowhere else to go or live. These spaces were meant to be affordable live/work spaces. Now, the Loft Board is trying to protect as many individuals as possible, even if an occupant moved into a unit yesterday, and even where an occupant listed another address on their tax return. No sweat equity needed. Further, revising the rules to say that no single factor alone is determinative of primary residence allows individuals who have other residences to apply for protection. Why would the Loft Law protect individuals who have alternative living situations and who are not suffering from the affordability crisis? Instead of these units going to those who actually need it, these new rules will allow anyone, regardless of wealth, to become protected.

The second section proposed to be amended is the Loft Board's Article 7-B Compliance and enforcement regulations. Historically, owners of interim multiple dwellings were allowed to file with the Loft Board a sworn statement by a registered architect or professional engineer stating that the building has achieved Article 7-B compliance, by completing all necessary fire and safety work. The proposed rule would eliminate this option completely. The only way to then document Article 7-B compliance is either through the issuance of a temporary or final residential certificate of occupancy by the Department of Buildings.

In addition to eliminating the ability to self-certify 7-B compliance, the Loft Board is proposing an enforcement mechanism against owners of IMD buildings that filed this self-certification of Article 7-B compliance but have not obtained a residential certificate of occupancy. Owners in these situations would be required to obtain a temporary or final residential certificate of occupancy within six months from the effective date of these amended rules, or face severe monetary penalties, \$3K for the first violation, \$10K for the second, \$15K for the third, \$18K for the fourth and \$25K for the fifth and every violation thereafter.

I understand the need to push owners to obtain a certificate of occupancy, but fining owners because they achieved a specific legalization milestone, even if done years before, is not the way to do it. What this rule does not do is "fix" the underlying issues with the Loft Law. The Loft Board has been severely undermanned for many years. The DOB is still not fully knowledgeable about Loft Law buildings even though the Loft Board has been "administratively" housed at the DOB for close to two decades. Instead of fining owners for completing a deadline, the Loft Board should focus on the "why" - why is the owner unable to obtain a certificate of occupancy. Where is the outreach? Why is the Loft Board not reaching out to these owners beforehand to better understand the why? If changes are going to be made, it will start with better understanding how these owners got to this position in the first place. Instead, the Loft Board would rather fine an owner and ignore the underlying issues. Let's not forget that the Loft Board allowed this to happen. But it will be you who pays the fines.

A public hearing was scheduled for March 19, 2026. As the Loft Board proceeds with their rulemaking, BBG will be here to help owners navigate these new and challenging issues.

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The Legality of Insurance Charges to Section 8 Tenants



BY MARTIN MELTZER
AND MARC ZIARNO

At first glance, requiring renters' insurance seems reasonable and common as a lease condition. But for landlords participating in the Section 8 Housing

Choice Voucher Program, the issue is far more complicated and legally risky.

Federal law places strict limits on what landlords can charge Section 8 tenants. Under 42 U.S.C. § 1437f(c)(1)(A), each Housing Assistance Payments (HAP) contract sets a "rent to owner," which represents the maximum total rent a landlord may collect from both the tenant and the government combined. HUD regulations make this even clearer. Under 24 C.F.R. § 982.451(b)(4), landlords may not collect any additional payment, or "other consideration" tied to the rental of the unit beyond that approved amount.

This is where renters' insurance becomes a problem. If a landlord requires a tenant to pay for insurance as a condition of living in the apartment, that payment may be treated as additional rent, even if it is labeled otherwise. Courts consistently apply a "function over form" test, meaning they look at how a charge actually operates, not what it is called.

A leading case, *Terry v. Wasatch Advantage Group*, illustrates this principle. There, a landlord required Section 8 tenants to maintain renters' insurance or be automatically enrolled in a monthly program billed alongside rent. The court held that these charges violated federal law because they were mandatory, tied directly to occupancy, and not included in the approved rent. In substance, the insurance payments functioned as unlawful "side payments."

Other federal cases reinforce this rule. In *Kelly v. Denault*, 374 F. Supp. 3d 884 (N.D. Cal. 2018), the court allowed False Claims Act claims to proceed where a landlord allegedly collected extra charges beyond the approved rent. Similarly, in *United States ex rel. Price v. Peters*, 66 F. Supp. 3d 1141 (C.D. Ill. 2013), a landlord was held liable for collecting additional payments disguised as fees for amenities. These cases make clear that any charge tied to tenancy, if not included in the HAP contract for a Section 8 tenant, can trigger serious liability.

New York law adds another layer of restriction. RPL § 238-a limits the types of fees landlords may charge, while the Rent Stabilization Code (9 N.Y.C.R.R. §§ 2522.5, 2525.1) prohibits collecting any amount above the legally regulated rent. Courts in New York follow the same approach. In *Irizarry v. Ewer*, 44 Misc. 3d 140(A) (App. Term 1st Dep't 2014), a side agreement requiring additional payments was held unenforceable because it violated federal rent limits. Likewise, in *Binghamton Housing Authority v. Douglas*, 217 A.D.2d 897 (3d Dep't 1995), the court rejected attempts to classify extra charges as "rent" where federal law did not permit them.

The risks for landlords are significant. Violations can lead to repayment obligations, tenant claims, and even liability under the False Claims Act. Because landlords certify compliance with federal rules when accepting subsidy payments, collecting unauthorized charges can be treated as a false certification.

In practice, the safest approach is simple: renter's insurance should never be required as a condition of tenancy for Section 8 tenants. If offered at all, it must be optional, clearly separate from rent, not enforced through eviction, and ideally disclosed to and approved by the local housing authority and memorialized in the HAP or any other applicable agreement with a governmental agency. If it looks like rent, acts like rent, or is required by the landlord for the tenant to remain in the unit, courts may treat it as unauthorized rent, exposing landlords to serious legal and financial consequences.

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Governor Hochul's Proposed J-51 Reforms: What NYC Building Owners, Co-op Boards, and Condo Associations Need to Know



BY JASON C.
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On January 20, 2026, Governor Kathy Hochul released her FY 2027 Executive Budget, which includes a proposal to

“reauthorize and reform” the J-51 tax abatement program, one of the most widely used as-of-right property tax incentives in New York City.

The proposal, if enacted, would expand the program in three significant respects: it would increase the maximum abatement available to eligible owners, extend the period during which qualifying work must be completed, and raise the assessed valuation threshold that determines eligibility for co-op and condominium buildings.

This article analyzes the key proposed changes, identifies what the proposal leaves unchanged, and flags the legislative uncertainties that property owners and boards should monitor.

Background: What Is J-51?

J-51 is a New York City property tax abatement program that provides real estate tax relief to owners of residential buildings who undertake qualifying rehabilitation or improvement work. Historically, it has been a principal tool for building owners seeking to offset the cost of major capital repairs, including roofs, facades, boilers, elevators, windows, and increasingly, energy efficiency upgrades required under the City's Local Law 97.

The current version of the program, commonly called the “J-51 Reform Program” or J-51 R, was enacted on December 30, 2024. Under J-51 R, eligible projects must be completed after June 29, 2022 and no later than June 29, 2026, with no more than 30 months permitted between the commencement and completion of work. The benefit is a partial abatement of real property taxes for up to 20 years, capped at 70% of the project's approved Certified Reasonable Costs (CRC), with annual benefits limited to 8 1/3% of the CRC. For co-ops and condominiums, the annual benefit may not exceed 50% of real property taxes in any 12-month period.

One significant gating threshold for co-ops and condos under the current program is assessed valuation: a building must have an average assessed value of no more than \$45,000 per dwelling unit as of the commencement date of construction. What Hochul's FY 2027 Budget Proposes to Change

What Hochul's FY 2027 Budget Proposes to Change

The Governor's proposal would make additional revisions to the J-51 R program, applicable to eligible rehabilitation work completed after June 30, 2026 and before June 30, 2036.

Here are the key changes:

1. Higher Abatement Cap: From 70% to 100% of CRC

The most significant change is the increase in the maximum aggregate abatement from 70% to 100% of total CRC. In practical terms, this represents a roughly 43% increase in the maximum benefit available. For example, under current law, a project with \$1,000,000 in approved CRC is entitled to a maximum abatement of \$700,000. Under the proposal, that same project would be eligible for up to \$1,000,000 in abatement benefits, an additional \$300,000 in tax relief.

The annual and 20-year term caps remain unchanged. An owner receives a larger total abatement under the proposal, but the benefit continues to be paid out at the same annual rate of 8 1/3% of CRC per year, over the same maximum 20-year period.

2. Longer Eligibility Window: Through June 30, 2036

The proposal extends the program for a full 10-year window, covering work completed between July 1, 2026 and June 29, 2036 (with a requirement that no more than 30 months elapse between commencement and completion of construction). The extended window accommodates multi-year capital plans and staged construction projects involving multiple building systems that commence and complete within 30 months.

3. Expanded Co-op/Condo Eligibility: AV Cap Raised to \$60,000/Unit

The proposal raises the average assessed valuation limitation for co-ops and condominiums from \$45,000 per dwelling unit to \$60,000 per dwelling unit. Buildings previously excluded solely because of their assessed valuation may now qualify.

4. Mandatory CRC Schedule Updates Every Three Years

The Certified Reasonable Cost (“CRC”) schedule is a table of maximum allowable costs per type of work and is established by HPD. Because the schedule sets a ceiling on what HPD will recognize as an approved project cost, a schedule that has not kept pace with actual construction prices will produce an approved CRC that is lower than what the owner actually spent, reducing the abatement accordingly. The proposal requires HPD to update the schedule at least once every three years, providing a mechanism for the approved costs to more accurately reflect prevailing construction prices.

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5. Rental Buildings: 50% Affordable Unit Threshold Remains; MCI Waiver Timing Shifts

For rental properties, the proposal retains the existing eligibility structure. A building can qualify if at least 50% of its units are affordable at or below 80% of Area Median Income, or if it participates in the Mitchell-Lama program or receives other government subsidies. The 50% threshold operates as an absolute cutoff. A building that falls one unit short of the threshold is entirely ineligible regardless of how deeply affordable its units are or how significant its capital needs may be.

Under New York's rent stabilization framework, a Major Capital Improvement (MCI) allows a landlord to apply to DHCR for a permanent rent increase to recover the cost of qualifying building-wide capital work. Participation in J-51 has long required eligible rental building owners to waive this right for any work receiving J-51 benefits. Under the current program, that waiver must be filed as part of the J-51 application. The proposal would shift the timing, allowing owners to defer filing the waiver until after the J-51 application has been approved and compare expected benefits.

What Stays the Same

Several features of the current program would carry over unchanged. The abatement remains capped at 8 1/3% of CRC annually and may not extend beyond 20 years. For co-op and condominium buildings, the annual abatement may not exceed 50% of real property taxes payable in any given 12-month period. Furthermore, application fees shall remain at \$1,000, plus an additional \$75 per dwelling unit in excess of six units.

Important Caveats: This Is Still a Budget Proposal

Governor Hochul's budget was released on January 20, 2026, and the Legislature has since begun its review. The target date for budget enactment is April 1, 2026 — though New York frequently misses that deadline.

The State Senate has already circulated a competing version of J-51 reform. Sen. Brian Kavanagh's bill differs from the Governor's in at least one notable respect: it would expand eligibility to buildings where at least 90% of units are rent-regulated — a meaningfully different approach to the affordable housing threshold for rentals. The Assembly, for its part, has thus far left J-51 out of its one-house budget resolution.

In short, the final enacted form of any J-51 reform may differ from what is currently proposed. Clients should monitor the budget process closely and be prepared to adjust timelines if and when the Legislature reaches a final agreement.

What Building Owners and Boards Should Be Doing Now

Even at the proposal stage, J-51's anticipated expansion has practical implications for near-term decision-making. We recommend the following steps:

1. Audit your capital needs against J-51-eligible scopes. Common eligible improvements include facade work, roof replacement, window replacement, boiler and mechanical upgrades, elevator modernization, and energy-efficiency retrofits tied to LL97 compliance. Identifying which planned projects may qualify is an essential first step.
2. Check your assessed valuation per unit. Co-ops and condominiums should verify where they stand relative to both the current \$45,000/unit threshold and the proposed \$60,000/unit threshold. Buildings near either cap may benefit from moving quickly once the program opens.
3. Coordinate early with your team. Maximizing J-51 benefits requires careful documentation of project scope, timing, and costs in formats acceptable to HPD. Assembling your real estate tax counsel, architect, engineer, managing agent, and CPA before work begins — rather than after — avoids costly errors and missed deadlines.
4. Watch the budget negotiations. The April 1 budget deadline is aspirational; New York routinely enacts its budget weeks or months late and owners should not make capital planning commitments contingent on the proposal until it is enacted in final form.
5. Consider the interaction with other programs. For rent-regulated buildings, J-51 participation historically required a waiver of Major Capital Improvement (MCI) rent increases. The proposed timing adjustment for MCI waivers is a modest improvement, but owners should analyze the full economic picture — including LL97 penalties, interest rates, and rent roll sensitivity — before proceeding.

Looking Ahead

Governor Hochul's proposed J-51 reforms represent a significant expansion of the program. If enacted in substantially the form proposed, the combination of a higher abatement ceiling, a decade-long eligibility window, and broader co-op and condo access will make J-51 a more meaningful factor in capital planning for a wider range of New York City properties.

How the Legislature resolves the differences between the Governor's proposal, the Senate bill, and the Assembly's position — and how quickly HPD implements any enacted program — will determine whether those benefits are realized in practice. We will continue to monitor the FY 2027 budget process and will provide updates as the legislation progresses.

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Equity by Design: The Policy Logic Driving MIH and UAP Rules



BY DAVID SHAMSHOVICH

Most practitioners approach Mandatory Inclusionary Housing (MIH) and Universal Affordability Preference (UAP) compliance as a checklist exercise. How much affordable floor area is required? Are units distributed across enough floors? Does the bedroom mix satisfy the proportionality test? Those questions matter and

getting them wrong produces real consequences. But treating them as the whole of the analysis misses what the framework is actually doing.

The MIH and UAP programs reflect a coherent equity policy. That policy holds that affordable housing should be integrated into buildings in a way that treats affordable residents with dignity and resists visible hierarchy. It is expressed most clearly in the Zoning Resolution (ZR), implemented through program administration by the Department of Housing Preservation and Development (HPD), and extended in practice through review positions that practitioners regularly encounter but will not find written down anywhere. All three layers point in the same direction, and have done so for longer than the current text.

The Statutory Hook

The legal foundation lies within ZR § 27-16, the section governing requirements for MIH and UAP Developments. Alongside its codified distribution, entrance, and size rules, that section contains a key grant of qualitative review authority applicable to both programs under the post-City of Yes framework.

“HPD may disapprove any building configuration that would frustrate the intent and purpose of this Section by segregating affordable housing units or stigmatizing residents of such affordable housing units.”

That language is not boilerplate. Read together with HPD’s authority to adopt program guidelines under ZR § 27-16(k), it creates a framework under which HPD is expressly empowered, and expected, to evaluate whether a mixed-income MIH or UAP Development, viewed as a whole, reflects genuine integration or creates the kind of visible separation the program is designed to prevent. A project can satisfy every written threshold and still draw HPD concern if the layout tells a story of separation. That is the organizing principle everything that follows turns on.

Equity Written into the Zoning Text

Several provisions that might appear to be purely mechanical requirements are, on closer reading, deliberate expressions of the same integrationist principle.

Distribution and Concentration

The requirement that affordable units appear on at least 65% of residential stories, and that no single floor exceed two-thirds affordable units in a mixed-income MIH or UAP Development, is an anti-concentration rule at its core. It exists to prevent affordable housing from being recognizably confined to a lower tier of the building. Where a project has too few affordable units to satisfy the 65% threshold, HPD’s guidelines specify maximum spread: one unit per floor, reaching as many stories as possible. The goal in both cases is the same: distribution that reflects integration rather than containment.

The City of Yes amendments adopted December 5, 2024, introduced a modification to the distribution rules. Where a building contains both homeownership and rental housing and none of the affordable units are homeownership housing, the distribution requirements apply only to stories containing rental housing. In plain terms: market-rate condominium floors can be stacked without placing affordable rental units on those floors, making condo-over-rental MIH and UAP structures considerably more feasible than before. Three requirements remain intact in this scenario: (i) affordable and market-rate residents must still share a common primary entrance; (ii) bedroom mix and unit size still runs against all non-affordable units in the building, including the condominiums; and (iii) the rental component, which in a condo-over-rental structure may be entirely or predominantly affordable, must demonstrate financial viability to HPD’s satisfaction. That showing typically requires one or a combination of funded operating reserves, a cross-subsidy mechanism obligating the condominium to cover any operating shortfall in the rental piece and/or a real property tax exemption under 485-x, 420-c, Article XI, or another applicable program, to reduce the tax burden sufficiently for the rental component to remain financially viable. The cross-subsidy obligation must be reflected in both the restrictive declaration and the condominium formation documents, each of which HPD must review and approve. The funded reserves are likewise set forth in the restrictive declaration and must be deposited upon completion of the project, evidenced by HPD’s issuance of a completion certificate.

Certificate of Occupancy Sequencing

The certificate of occupancy rules reinforce the distribution policy structurally. Under ZR § 27-151(b)(1), the Department of Buildings (DOB) cannot issue a permanent certificate of occupancy (CO) for any MIH or UAP Development until HPD has issued a Completion Notice. For story-by-story temporary certificates of occupancy (TCOs), DOB may issue a TCO for any story containing affordable units only if the TCO covers all affordable units on that story or covers only affordable units. UAP preserves the ability to TCO the standard residential floor area before the bonus floor area is complete; MIH has no equivalent carve-out. The result: in an MIH Development, every floor without an affordable unit is a floor the developer cannot TCO until the full obligation is satisfied, creating a direct economic incentive to place affordable units on upper

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floors and aligning the developer's interest with the policy goal of vertical distribution, without requiring it by explicit command.

Bedroom Mix and Unit Size

The bedroom mix requirement prevents a building from reserving its family-sized units for market-rate tenants while satisfying its affordable obligation through a concentration of smaller bedroom types. The unit size test operates on the same principle. For each bedroom type, the average net square footage of affordable units of that type must equal or exceed the lower of the market-rate average for the same type or the applicable statutory minimum: 400 net square feet for a studio, 575 net square feet for a one-bedroom, 775 net square feet for a two-bedroom, and 950 net square feet for a three-bedroom. Net square footage means actual livable area within the perimeter walls, excluding structural elements and mechanical chases. The test is a bedroom-type average, not a unit-by-unit comparison, but its purpose is to prevent affordable units from being systematically smaller than their market-rate counterparts.

In practice, MIH and UAP projects that over-deliver on larger bedroom types within the affordable component have generally been accepted by HPD even where smaller bedroom types fall slightly short of strict proportionality. Nothing in the zoning text or guidelines states this expressly. It appears to reflect HPD's recognition that providing more large units is a meaningful benefit to affordable residents and may be consistent with the equity purpose of the requirement. Practitioners should treat it as observed practice, not a stated rule.

Entrance Rules

The common primary entrance requirement is among the clearest expressions of the equity policy in the text of the Zoning Resolution. Affordable and non-affordable units within an MIH or UAP Development must share a common primary entrance, including in condo-over-rental structures where the vertical distribution rules have been modified. The prohibition reaches beyond the physical door: lobby presentation, building branding, and wayfinding that mark one entrance as distinct from the other, the hallmarks of what became known as the poor door, implicate the same concern the rule is designed to address.

A related provision in ZR § 27-14(f) addresses multi-building zoning lots. Where a UAP or MIH Site contains at least two-thirds affordable housing units and sits on a zoning lot that also includes a building with fewer than one-third affordable units, the predominantly affordable building must satisfy one of three requirements: (i) share a common street entrance with the market-rate building on the same lot; (ii) be independent from grade to sky at the street wall line, with its primary entrance on a street frontage where other residential buildings also have their primary entrances; or (iii) obtain an HPD waiver upon a finding that the overall design avoids stigmatization. The policy concern underlying these options is the same. Where the affordable building does not share a common street entrance with the predominantly market-rate building on the same zoning lot, it must present itself as an independent structure, with its entrance on a street where it stands alongside other residential buildings, signaling to anyone approaching that this is a

freestanding residential building in its own right, not a secondary access point to the market-rate development next door.

Amenity Access

The framework addresses amenity access through two separate mechanisms with different sources and different purposes, and it is worth being precise about each.

Affordable Floor Area consists of the residential floor area within affordable units plus a pro rata share of Eligible Common Areas. Under ZR § 27-111, an Eligible Common Area is defined as any residential floor area in the MIH or UAP Development that is not located within a dwelling unit or rooming unit (i.e., lobbies, hallways, and amenity spaces that qualify as residential floor area), but expressly excluding any residential floor area for which a user fee is charged to residents of affordable housing units. A gym that charges membership fees is not eligible. A roof deck above grade is not residential floor area and falls outside the definition entirely. The pro rata share is calculated as the percentage of Eligible Common Areas equal to the affordable unit net square footage divided by the sum of affordable and non-affordable unit square footage. The effect: a developer who makes amenities free to affordable tenants captures that common area square footage in the Affordable Floor Area total, potentially reducing the number of units that must be designated as affordable. The equity policy and the project economics point in the same direction.

Separately, where ancillary amenities and paid-access spaces, such as bike storage, parking, storage units, and similar facilities, are made available to market-rate tenants in an MIH or UAP Development, affordable tenants should not be excluded or placed on materially worse terms. That expectation is distinct from the ZR-based Eligible Common Area credit toward Affordable Floor Area and is better understood as a recurring HPD review practice than as a codified rule sourced directly to the zoning text.

Where HPD's Discretion Carries the Policy Further

Some of the provisions above are written into the Zoning Resolution, while others are reflected in HPD program administration or recurring review positions. The pattern is the same across all of them: affordable housing should be integrated, in placement, in access, in amenity, in the way residents experience their homes, not merely counted.

Private Outdoor Space

In practice, and before the City of Yes amendments, HPD has treated proportional outdoor space access as part of its anti-stigmatization review. Where market-rate units are designed with private outdoor space, HPD has in practice expected affordable units to receive a roughly proportionate share by count and overall square footage. The expectation is not that every affordable unit mirror a market-rate unit in layout or amenity package. It is that a development should not reserve visible, livability-enhancing features systematically to one tenure or income class while denying them to the other.

Appliances and Finishes

Also predating City of Yes, HPD has in practice scrutinized whether appliances and interior finishes in affordable units within any MIH or Voluntary Inclusionary Housing (VIH) Development (VIH being the predecessor to UAP), are materially inferior to those in the market-rate units of that same development. That expectation does not appear expressly in the zoning text, and it is not stated in terms in the public MIH/VIH/UAP program materials, but it regularly surfaces in project review as part of HPD's anti-stigmatization analysis. A development with affordable residents living with materially inferior fixtures and finishes tells a story of hierarchy that the anti-stigmatization authority is designed to prevent.

Vertical Sorting of Income Tiers

Where an MIH or UAP project layers multiple Area Median Income (AMI) bands within the affordable component, by, for example, including a mix of affordable housing units at 40%, 60%, and 80% AMI, structured to satisfy the applicable program's weighted average requirement, a layout that consistently places higher-AMI affordable units on upper floors while pushing lower-AMI units to the base may satisfy the distribution requirements numerically while creating a legible hierarchy within the affordable component itself. Lower-income affordable residents concentrated at the bottom, higher-income affordable residents toward the top: the pattern is visible on a stacking diagram and implicates the same anti-stigmatization concern the written rules address in other contexts. This is the kind of pattern HPD has scrutinized under its discretionary authority. If the issue does not show up in a unit count, it shows up on a stacking chart.

Spatial Equity

The written distribution rules are two-dimensional: floors and per-floor counts. HPD reviews a third dimension under the anti-stigmatization authority now expressly granted by the amended zoning text. A project can satisfy the numerical thresholds and still present a pattern, visible on a marked-up floor plan, in which affordable units consistently occupy back-of-building lines, inferior light and air, and compromised views while market-rate units capture the building's best positions. The test is not whether the percentages work. It is what story the plans tell when every affordable unit is highlighted.

What May Come Next

The anti-stigmatization authority granted in ZR § 27-16 is broad, and the enforcement patterns described above represent its application to date. The same logic extends to any design decision that creates a visible or experiential distinction between affordable and market-rate residents within any MIH or UAP project.

Unit Configuration

Nothing in the current framework requires, nor has HPD indicated that it would require, that a market-rate two-bedroom with two bathrooms be matched by an affordable two-bedroom with two bathrooms. But

the policy logic is the same and makes comparable bathroom counts and unit configurations a plausible next area of scrutiny. An MIH or UAP Development in which the market-rate units are on average larger, more distinctly positioned, or enjoy better views and exposures than the affordable units presents the kind of experiential hierarchy the framework has consistently moved to address, even prior to the City of Yes amendments. What the amended zoning text adds is not a new policy direction but a clear statutory basis for HPD to pursue it, which in turn invites more creative design configurations as developers work within the framework and HPD responds to them.

The pattern of review to date suggests a continued focus on experiential parity. Each uncoded requirement emerged from the same source: HPD exercising discretion the Zoning Resolution expressly confers, in service of a policy that sits at the heart of the MIH and UAP programs. That source has not been exhausted. Design teams that understand what the framework is trying to accomplish, and who make design decisions with that understanding, are better positioned to stay ahead of every wave that follows.

The Point for Developers

The rules and practices described in this article are not a random collection of requirements. They are expressions of an underlying equity policy that drives the programmatic requirements specified in the zoning text and that runs through HPD's administration of the MIH and UAP programs: affordable housing should be integrated, in placement, in access, in amenity, in the details of how residents experience their homes, not merely counted.

The practitioners who navigate this framework most effectively are not those who memorize the thresholds. They are those who understand what the framework is trying to accomplish. An MIH or UAP Development that is genuinely integrated will move through HPD review more smoothly than one that satisfies every written test while telling a story of separation.

The written rules answer whether affordable housing is there. The equity policy asks how it is there. Understanding both is what it takes to do this work well.

David Shamshovich is co-chair of BBG's Tax Exemptions and Zoning Incentives Practice and can be reached at 212-867-4466 (Ext. 394) or dshamshovich@bbgllp.com.

ELURP Is Live: What to Know About NYC's Expedited Land Use Review



**BY RON MANDEL AND
ALAINA GREENE**

On March 16, 2026, the Department of City Planning certified the 189-10 Northern Boulevard rezoning, a privately

initiated zoning map amendment in Auburndale, Queens. It is the first private application to enter public review under the Expedited Land Use Review Procedure (ELURP), the streamlined approval pathway created by voter-approved Charter amendments that took effect late last year. A city-initiated ELURP application, the 351 Powers Avenue affordable housing project in Mott Haven, entered review a few weeks earlier. Together, these projects represent the transformation of ELURP from ambitious housing reform to operational reality.

What Is ELURP?

ELURP compresses the public review timeline for qualifying land use actions from roughly seven months under standard ULURP to approximately 90 days. The structural change that makes this possible is the concurrent review by Community Boards and Borough Presidents, rather than a sequential process. Both bodies have 60 days from certification to submit recommendations to the City Planning Commission. The Commission then has 30 days to hold a public hearing and render a final decision.

Under standard ULURP, by contrast, the Borough President's 30-day review does not begin until the Community Board's 60-day period expires, and the Commission's own 60-day clock follows after that. The City Council then has an additional 50-day review period for zoning actions and other key categories.

That Council review period is the other critical difference. Under ELURP, the Commission's vote is final. There is no subsequent Council review and no opportunity for member deference to block or modify the outcome. This represents a significant reduction in political risk.

What Qualifies

ELURP is available for a defined set of land use actions. For private applicants, the most relevant category is zoning map amendments. The eligibility thresholds depend on the existing zoning context. In low-density districts (R1 through R5), a rezoning qualifies if the proposed district has a standard maximum residential FAR of 2.0 or less and a standard maximum building height of 45 feet or less. In medium- and high-density districts (R6 and above), the proposed rezoning must not increase the maximum residential FAR by more than 30 percent. In both cases, the site must already permit residential use at the time of application, and no part of the area may have been rezoned under this same ELURP provision within the preceding ten years.

Beyond private rezonings, ELURP also covers HPD dispositions and acquisitions for affordable housing, City Map changes related to affordable housing or General City Law Section 36 street access requirements, DCAS "SAIL Away" dispositions, site selections for resiliency and solar energy generation projects, and various city property transactions tied to climate resiliency or open space.

Two significant limitations bear mention. First, any application required by law to include an environmental impact statement is ineligible for ELURP. That exclusion effectively limits the procedure to actions receiving a negative declaration or conditional negative declaration under CEQR. Second, an application that qualifies for ELURP but is filed in conjunction with a standard ULURP application may instead adhere to the ULURP process, which matters for projects requiring multiple land use actions where only some qualify for expedited review.

The Practical Impact

The impact of ELURP will be felt most on smaller projects in lower-density neighborhoods, where the traditional ULURP timeline and its attendant legal, consulting, and lobbying expenses have historically made modest rezonings difficult to justify economically. The 189-10 Northern Boulevard application is a good example: a contextual commercial corridor rezoning in a low-density Queens neighborhood facilitating a three-story mixed-use building. Under standard ULURP, with a seven-month timeline and the uncertainty of Council review, projects at this scale often do not pencil out. A 90-day process with CPC finality changes that math.

For developers and property owners evaluating whether ELURP is the right path, the threshold questions are straightforward. Does the proposed rezoning fall within the FAR and height parameters? Does the site already permit residential uses? Will the project require an EIS? If the answers align, ELURP offers a materially faster and more predictable approval process, with lower soft costs across the board.

The zoning and land use team at BBG is actively advising clients on ELURP strategy and eligibility, and will continue to track these first applications as they move through review. If you are considering a rezoning or other land use action that may qualify for expedited review, we encourage you to reach out early in the process to evaluate your options.

Ron Mandel leads BBG's Land Use and Zoning Practice, and Alaina Greene is a law clerk in the practice. Ron can be reached at 212-867-4466 (Ext. 424) or rmandel@bbgllp.com.



Co-Op/Condo Corner

BY LLOYD F. REISMAN

Lloyd F. Reisman is a leader of the Firm's Co-op and Condo Practice, consisting of more than 300 co-op and condo boards throughout New York City, developers, investors, and lenders in related transactions, including offering plans, "no-action" letters and out-of-state filings, and purchasers and sellers of co-op and condo apartments, buildings, residences and similar properties. If you would like to discuss any of the cases in this article or any other related matter, you can reach Lloyd at 212-867-4466 (ext. 387), or lreisman@bbgllp.com.

PROPRIETARY LEASE ATTORNEYS' FEE RIGHTS ENFORCED DESPITE APPEAL

71st St.-Lexington Corp. v. Frankel Supreme Court, New York County

COMMENT | In a post-Kasowitz decision, the Court enforced a cooperative's proprietary lease attorney fee provision, awarding post-judgment fees and underscoring that fee-shifting clauses remain operative even while a declaratory judgment is on appeal.

DEFECTIVE NOTICE UNDERMINES HDFC'S EVICTION EFFORTS

141 MacDonough St. HDFC v. Wimbush Housing Court, Kings County

COMMENT | The Court dismissed the holdover proceeding, holding that the HDFC's termination notice did not state sufficient cause due to its failure to include the rent amount owed and the timeframe of the alleged arrears.

CO-OP SHAREHOLDERS LACKED STANDING TO CHALLENGE DECONVERSION

Carnegie House Tenants Corp. v. Georgetown 57, LLC Appellate Division, First Department

COMMENT | No standing existed because the deconversion of the cooperative by the landlord of the ground lease remained theoretical at the time the action was commenced by the cooperative's shareholders.

DEFECTIVE NOTICE FRUSTRATES CO-OP'S ATTEMPT TO TERMINATE LEASE FOR OBJECTIONABLE CONDUCT

415 E. 12th St. HDFC. v. Duran Appellate Division, First Department

COMMENT | Court affirmed that the HDFC did not properly terminate the shareholder's proprietary lease because the notice of termination failed to include "new allegations about defendant's conduct arising" during the cure period.

UNIT OWNER ENTITLED TO DAMAGES FROM SPONSOR

PS 90 Bd. of Mgrs. v. L&M Dev. Partners Supreme Court, New York County

COMMENT | Unit owner established damages to recover lost rental income (but not diminution in value or condo assessments) based on recurring water intrusion and related construction defects.

TENANT'S DEFENSES BASED ON SHAM COOPERATIVE SURVIVE DISMISSAL

Edelstein LLC v. Rodriguez Housing Court, New York County

COMMENT | The Court allowed discovery to proceed and sustained tenants' regulatory status and overcharge defenses, holding that a building long operated as a de facto rental may be a "sham" cooperative and lose its cooperative exemption.

DENIAL OF SHAREHOLDER'S APPLICATION TO PURCHASE SECOND APARTMENT UPHELD

Klepper v. 118 E. 60th Owners, Inc. Supreme Court, New York County

COMMENT | The Court dismissed the action, holding the Board's denial of existing shareholders' purchase application was not arbitrary, capricious, or in bad faith, and that alleged record-keeping defects caused no cognizable injury. (BBG represented the Cooperative in this matter.)

CONDO BOARD ENTITLED TO DELAY FEES UNDER ALTERATION AGREEMENT

The Bd. of Mgrs. of the One Lincoln Square Condo. v. SAG 150 Columbus LLC Supreme Court, New York County

COMMENT | The Court granted summary judgment on liability, enforcing the alteration agreement and awarding the Condo Board unpaid license fees, interest, and attorneys' fees.

CONDOMINIUM BOARD AUTHORITY OVER EXTERIOR ALTERATIONS AFFIRMED

Bd. of Mgrs. of the 80th at Madison Condo. v. 1055 Madison Ave. Owners LLC Appellate Division, First Department

COMMENT | The Court confirmed that, while equity entitled the Retail Unit Owner to maintain its single existing sign, the Condo Board was entitled to a permanent injunction preventing the installation of any additional signs based on the restrictions set forth in the declaration and by-laws.

CO-OP REPAIR DUTIES MAY NOT BE SHIELDED BY BUSINESS JUDGMENT

Batt v. 77 Bleecker St. Corp. Supreme Court, New York County

COMMENT | The Court clarified that a cooperative's statutory and lease-based repair duties are not shielded by business judgment, imposed adverse-inference sanctions for lost evidence, and allowed habitability and negligence claims to proceed.

CONTINUED ON PAGE 13

COURT DECLINES TO DISRUPT CO-OP GOVERNANCE ABSENT CLEAR AUTHORITY

Rincon v. Allen Supreme Court, New York County

COMMENT | The Court rejected a disputed board election for lack of quorum, upheld shareholders' broad inspection rights, limited extraordinary interim remedies, and invalidated a notice to cure issued against an out-of-possession shareholder lacking privity with the alleged occupants.

IMMEDIATE-FAMILY OCCUPANCY PROTECTED IN CO-OP HOLDOVER

Matter of Northridge Coop. Sec. III, Inc. v. Bonilla Appellate Division, Second Department

COMMENT | Court held that ambiguous occupancy agreements are construed against co-ops, permitting an immediate family member to remain after a shareholder vacates, absent clear surrender or co-occupancy requirements.

PRIVATE TERRACE ALTERATIONS SHIFT MAINTENANCE RISK TO SHAREHOLDERS

Townsend v. 77 Bleecker St. Corp. Supreme Court, New York County

COMMENT | The Court dismissed leak claims, holding that a shareholder-installed atrium on a private terrace constituted a lease-defined alteration whose routine maintenance rested with the shareholder, defeating habitability, contract, and injunctive claims against the co-op.

ADMINISTRATIVE LAW UPDATE

BBG Secures Rare DHCR Order Allowing Non-Renewal of Rent-Stabilized Lease for Demolition

BBG's **Kara Rakowski**, with the assistance of **Jessi Maduro**, obtained an order from the New York State Division of Housing and Community Renewal (DHCR) granting an owner's Application for Permission Not to Renew a Rent-Stabilized Tenant's Lease pursuant to Section 2524.5(a)(2) of the Rent Stabilization Code, based on the owner's good-faith intent to demolish the building.

Section 2524.5(a)(2) permits an owner of a building containing occupied rent-stabilized units to seek DHCR approval not to renew existing leases where the owner intends, in good faith, to demolish the building. A similar provision exists under the Rent and Eviction Regulations for buildings containing rent-controlled units. Despite these statutory pathways, DHCR has rarely granted demolition applications for more than two decades.

Although the tenant has filed a Petition for Administrative Review, and the order is therefore not final, this decision signals that demolition applications under Section 2524.5(a)(2) may represent a viable, though still challenging, option for owners of rent-regulated buildings in appropriate circumstances.

ADMIN LAW

BBG Secures Rare DHCR Order Allowing Non-Renewal of Rent-Stabilized Lease for Demolition



Kara Rakowski



Jessi Maduro



Recent Transactions of Note

Members of BBG's Transactional Department recently handled a range of transactions, including the following.

Buy/Sell and Refinancing Transactions

Partners **Daniel T. Altman** and **Lawrence T. Shepps** represented Bhatia Development Organization and Endurance Realty Capital, along with joint venture partners The Bocchi Group, in the acquisition of The Brixton Apartments, a 224 unit multifamily property in North Dallas, TX. The transaction closed in under 60 days through a Freddie Mac loan assumption.

Partner **Michael A. Mulia** and associate **Lauren K. Tobin** represented our client with several recent acquisitions, including a three-building portfolio sale in Flatiron for \$14,500,000, a 35-unit mixed-use building in Little Italy for \$23,400,000, and a 43-unit portfolio acquisition in Chelsea for \$25,750,000.

Mr. Mulia and **Ms. Tobin** represented the purchaser of a single-tenant retail building in Soho for \$18,500,000.

Partners **Craig L. Price** and **Stephen M. Tretola**, and associate **Joshua A. Sycoff** represented a purchaser in connection with the acquisition of a mixed use building located in Lower Manhattan for a purchase price in excess of \$8 million. The transaction included a Section 1031 exchange component and acquisition financing.

Partners **Ron Mandel** and **Murray D. Schneier** represented owner of development site in the Special West Chelsea District across from the Highline in connection with \$53 million sale. Representation included zoning, transfer of development rights and assemblage issues. The transaction received coverage in Commercial Observer and other real estate publications.

Messrs. Price and **Sycoff**, and and associate **Isabella Pisani** represented a purchaser in connection with the \$10 million acquisition of a property located in Westchester County, NY.

Messrs. Price and **Sycoff**, and **Ms. Pisani** represented a purchaser in connection with the \$7 million acquisition of a condominium unit located in Cobble Hill, Brooklyn.

Messrs. Price and **Shepps**, partner **Lloyd F. Reisman**, and **Mr. Sycoff** and **Ms. Pisani** represented a seller in connection with the simultaneous bulk sale of 197 separate cooperative units spread across 18 separate buildings.

Commercial Leases

Partner **Allison R. Lissner** represented a co-op building located on the Upper East Side in connection with an assignment of lease to a well-known regional supermarket operator with numerous locations across the New York City metropolitan area.

Ms. Lissner represented a large accounting firm in the negotiation of a full floor office lease located in Midtown East.

Ms. Lissner and associate **Lauren K. Tobin** represented the owner of a property in connection with its lease to a 99-cent discount store in the east village area.

Partner **Michael J. Shampan** represented the owner in its lease to a tenant operating a Hong Kong style quick service restaurant in the Midtown Manhattan area.

Mr. Shampan represented the owner in its lease to well-known film producer operating a theatre workshop and production studio.

Partner **Michael A. Mulia** and **Ms. Tobin** represented the owner of a building in the midtown east area in connection with its lease to a tenant operating a Japanese craft sandwich shop.

Mr. Mulia represented the owner of a building located in the village in connection with its lease to a Japanese matcha café.

CONTINUED ON PAGE 15

Recent Notable Matters Handled by Our Construction Team

Partner **Robert Marshall:**

- Represented owner in the negotiation of a general contractor agreement for the interior and exterior renovation of a townhouse in Manhattan.
- Represented owners in the negotiation of several architectural, engineering, design and consulting services agreements for construction projects in Manhattan, Brooklyn and Queens.
- Represented owners in the negotiation of various general contractor agreements for garage repair projects in Manhattan.
- Represented owners in the negotiation of numerous general contractor agreements for façade, roof and sidewalk repair and renovation projects in Manhattan, Brooklyn and Queens.
- Represented owners in the negotiation of various general contractor agreements for elevator modernization projects in Manhattan and Brooklyn.
- Represented owners in the negotiation of multiple general contractor agreements for lobby, hallway, facility and amenity space renovation and repair projects in Manhattan, Brooklyn and Queens.

Associate **Joseph Verga:**

- Represented owner in the negotiation of a general contractor agreement for the construction of a custom-built home in Bridgehampton.
- Represented owners in the negotiation of numerous license agreements for access to and protection of adjoining properties during construction projects in Manhattan and Brooklyn.

Associate **John Walsh:**

- Represented owner in the negotiation of a general contractor agreement for the renovation of a townhouse in Manhattan.
- Represented owners in the negotiation of various license agreements for access to and protection of adjoining properties during construction projects in Manhattan.

BBG In The News

Quotes, presentations, publications and other notable news featuring BBG attorneys.

Founding partner **Sherwin Belkin** was quoted in The City on the mayor's proposed four-year rent freeze for rent-stabilized apartments. **Mr. Belkin** was also quoted in amNewYork Law on legal and constitutional concerns surrounding efforts to revive the Community Opportunity to Purchase Act. **Mr. Belkin** was additionally quoted in The New York Times Real Estate section in an "Ask Real Estate" column examining housing court delays affecting small New York landlords.

BBG partner **Kara Rakowski**, with the assistance of associate **Jessi Maduro**, obtained an order from the New York State Division of Housing and Community Renewal granting an owner's application not to renew a rent-stabilized lease based on the owner's good-faith intent to demolish the building. This notable decision was featured in press outlet City Biz.

Founding and Co-Managing Partner **Jeffrey L. Goldman** was quoted in amNewYork in connection with a Bronx Supreme Court ruling addressing the use of public nuisance law against negligent landlords.

Real Estate Transactions and Financing partner **Craig L. Price** spoke at the New York office of Matthews Real Estate Investment Services on the current state of the NYC multifamily investment market, including the post-COPA landscape, legislative hurdles, and considerations for owners.

Co-Managing Partner and Transactional Department Co-Chair **Daniel T. Altman** moderated a private roundtable at the Greenpearl New York Multifamily Leadership Assembly for senior real estate executives across the region.

BBG Litigation partner **Martin Meltzer** spoke at St. John's University School of Law as a panelist at a symposium hosted by the St. John's NY Real Property Law Journal, addressing current landlord-tenant issues in New York City.

Administrative Law partner **Martin J. Heistein** moderated a panel at Bisnow's New York Multifamily Development and Investment Conference focused on renter trends and multifamily development beyond Manhattan.

BBG partner and Tax Exemptions and Zoning Incentives practice Co-Chair **David Shamshovich** moderated a discussion at Commercial Observer and REBNY's Future of New York Forum focused on strategies for housing affordability and growth in New York City.

Litigation partner **Peter B. Kane** was featured in Crain's People on the Move in connection with his move to Belkin Burden Goldman.

BBG Celebrates 37th Anniversary

We are proud to mark 37 years of service to the real estate industry!

On behalf of our entire firm, we extend our sincere thanks to our attorneys, professional support staff, clients, and business partners. Your trust and collaboration have been central to BBG's continued growth.

Co-Managing Partner **Jeffrey L. Goldman** said, "Reaching 37 years is a reflection of the people who have built this firm and the many clients who have placed their confidence in us over time. We are grateful for the relationships that have sustained BBG and allowed us to evolve with the industry."

Co-Managing Partner **Daniel T. Altman** added, "This milestone represents decades of dedication, collaboration, and commitment to our clients. We are proud of what this firm has accomplished and thankful to everyone who has contributed to its success."



BBG Continues to Expand and Welcomes New Hires

The Firm has recently added the following attorneys and professional support staff



PETER B. KANE

Partner, Litigation Department

Peter represents owners, developers, and property managers in high-stakes commercial and residential real estate disputes in New York Supreme Court and Housing Court. His practice includes rent regulation litigation involving rent stabilization, deregulation, succession claims, and regulatory compliance, as well as Yellowstone injunctions, access disputes, commercial lease enforcement actions, and emergency injunctive proceedings. Peter also has extensive experience managing complex litigation matters from pleadings through trial and appeal, including motion practice, discovery, settlement negotiations, and appellate briefing.



LAUREN E. LEWIS

Partner, Administrative Department

Lauren is a partner in the firm's Administrative Law Practice, focusing on real estate and housing related disputes. She represents owners, developers, and managers of real estate assets, including condominium and cooperative corporations, before administrative agencies and courts. Her work includes matters involving rent stabilized and Mitchell Lama properties, summary proceedings, construction defects, contract disputes, and requests for declaratory or injunctive relief. She also handles related real estate litigation and has been recognized by Best Lawyers since 2024.



RYAN MARRANO

Associate, Litigation Department

Ryan represents landlords and other clients in commercial and civil litigation matters in New York State and Federal courts. His experience includes handling landlord-tenant proceedings involving nonpayment, holdover, succession, and licensee issues, as well as plenary actions concerning breach of contract, fraud, breach of fiduciary duty, and real property disputes. Ryan also has experience with condominium and cooperative litigation, commercial lease drafting and negotiation, Loft Law coverage applications, and representing buyers and sellers in real estate transactions throughout New York City and Westchester County.

BBG Anniversaries

BBG would like to acknowledge and congratulate the following members of the BBG team who have been with the Firm for over 5 years and whose work anniversary dates fall in the months of January - March.

As we reflect on these significant milestones, we express our sincere appreciation for their support, hard work, and commitment.

Jeffrey L. Goldman, *Co-Managing Partner, Co-Chair, Litigation Department – 37 Years*

Sherwin Belkin, *Partner – 37 Years*

Daniel T. Altman, *Co-Managing Partner, Co-Chair, Transactional Department – 36 Years*

Dwight Braumuller, *Paralegal – 36 Years*

Martin Meltzer, *Partner – 36 Years*

Nilda Guzman, *Legal Assistant – 24 Years*

Christina M. Browne, *Partner, – 14 Years*

Adam M. Bernstein, *Partner – 6 Years*

Lloyd Reisman, *Partner – 6 Years*

Derrick A. Hensel, *Chief Operating Officer – 6 Years*

Israel Katz, *Partner – 5 Years*



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Belkin · Burden · Goldman, LLP's Transactional team of **Daniel Altman** and **Lawrence T. Shepps** represented **Bhatia Development Organization**, joint venture partner, **Endurance Realty Capital** as well as a new partner **Arthur Bocchi** and **Sergey Deych** of The Bocchi Group, a prestigious New York-based family office in the acquisition of The Brixton Apartments, a 224-unit apartment community located in North Dallas.

The Brixton is a 1996-vintage asset situated along the Dallas North Tollway near President George Bush Turnpike, providing direct access to one of the region's primary north-south corridors. The property is positioned near several major employment and lifestyle centers, including the recently announced AT&T headquarters relocation in North Texas.

The transaction closed in under 60 days through a Freddie Mac loan assumption, involving tight timelines and heightened coordination. The successful execution required close collaboration among the lender, seller, and joint venture buyer teams in a challenging market environment.

Bhatia Development Organization was led by **Anand A. Bhatia** and **Aakash Bhatia**, with **Endurance Realty Capital** represented by **Andrew Ringie**, **Rod Hayden**, and **Will Ressler** Ressler.

Co-Managing Partner and Transactional Department Co-Chair **Daniel Altman** and partner **Lawrence T. Shepps** led the representation for BBG, advising on all aspects of the acquisition and financing to support a timely closing.

This acquisition further expands **Bhatia Development Organization** and **Endurance Realty Capital**'s Dallas-Fort Worth multifamily portfolio and reflects BBG's continued work on complex, time-sensitive real estate transactions nationwide. Congratulations to all involved!

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