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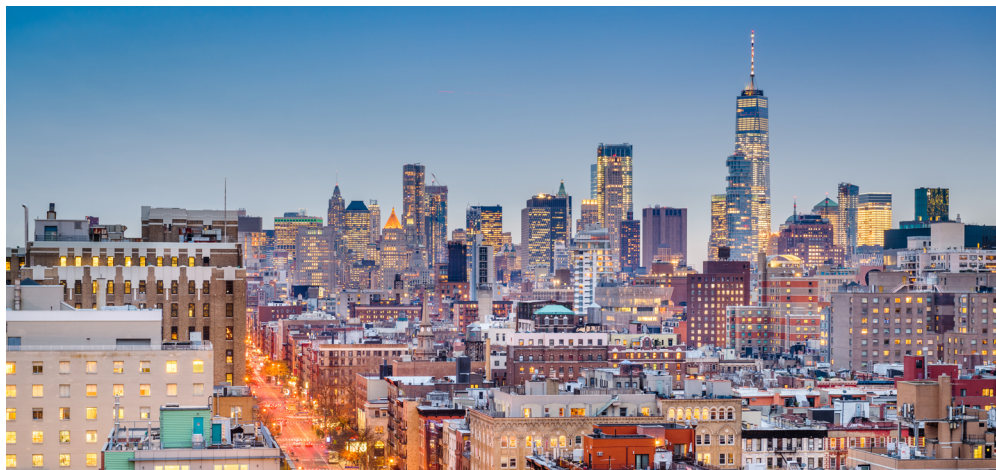
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CO-OP AND CONDO

Albany's Latest Proposals Could Reshape Co-op Governance



BY LLOYD F. REISMAN

For decades, New York cooperatives have operated under a familiar framework: boards manage the affairs of the corporation, shareholders elect the board, and day-to-day operational decisions largely remain within the board's discretion. Several bills currently pending in Albany would significantly alter that balance.

While none of these proposals has been enacted, they collectively reflect a growing legislative focus on transparency, shareholder rights, and long-term financial planning. For boards, owners, real estate operators, and managing agents, these are developments worth watching.

A Direct Challenge to Traditional Board Authority

The proposal generating the most attention is Senate Bill S8912 / Assembly Bill A10283, which would establish a comprehensive new governance framework for cooperative housing corporations.

Among other things, the legislation would:

- Permit shareholders to attend most board meetings.
- Require shareholder approval of annual budgets.
- Expand access to board minutes and financial records.

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- Require disclosure of governmental inspection reports and violation notices.
- Permit shareholders, in certain circumstances, to remove the managing agent.
- Impose bidding and procurement requirements for larger capital projects.

Taken together, these provisions would represent one of the most significant shifts in cooperative governance in decades.

Perhaps the most consequential provision is the proposed requirement that annual budgets be approved by shareholders. Budget preparation, reserve funding, and maintenance decisions have historically been among the core responsibilities of a cooperative board. Transferring some of that authority to the shareholder body could materially change how buildings plan for capital projects, reserve contributions, and operating expenses.

The legislation also reflects a broader push toward transparency. By opening most board meetings to member attendance and expanding access to corporate records, the proposal would subject board decision-making to a level of scrutiny not traditionally seen in New York cooperatives.

Importantly, the proposal applies to cooperative housing corporations, not condominiums, and contains a provision allowing New York City to opt out if the legislation ultimately becomes law.

Written Explanations for Purchaser Rejections

A second proposal, Senate Bill S6346 / Assembly Bill A7803, targets another longstanding feature of cooperative ownership: the board's ability to reject a purchaser without providing an explanation.

The legislation would require a cooperative that withholds consent to a sale to provide the prospective purchaser with a written statement of its reasons within thirty days of the decision.

Supporters view the proposal as a transparency measure designed to discourage unlawful discrimination and increase accountability. Opponents argue that it could generate increased litigation, discourage volunteer board service, and undermine an established aspect of cooperative ownership.

Regardless of where the debate ultimately lands, enactment would likely result in greater emphasis on objective financial standards, more formalized admission procedures, and more robust documentation of purchaser-review decisions.

Reserve Planning Could Become Mandatory

The third significant initiative, Senate Bill S7600 / Assembly Bill A8945, would require many cooperative and condominium associations to undertake professional reserve studies and prepare thirty-year funding plans.

The proposals go beyond merely requiring a reserve study. Buildings with reserves deemed inadequate would generally be required to increase funding over prescribed timeframes. In effect, reserve planning would move from a best practice to a statutory obligation.

For many communities, particularly older properties confronting major façade work, infrastructure replacement, elevator modernization, roof projects, or Local Law 97 compliance obligations (the city's building emissions limits), the financial impact could be substantial.

Increased reserve contributions, higher maintenance or common charges, and more disciplined long-term capital planning may become unavoidable if these proposals advance.

The Bigger Picture

Viewed collectively, these bills reflect a broader policy trend. Legislators appear increasingly interested in regulating areas that historically have been governed through a building's governing documents and the business judgment of elected boards.

Whether these proposals ultimately become law remains uncertain. Many bills are amended significantly during the legislative process, while others never advance. Nevertheless, the issues they address, transparency, shareholder participation, purchaser approvals, and reserve adequacy, are likely to remain central topics in the cooperative and condominium industry.

The details of these proposals may change, but the direction of travel is increasingly clear: more transparency, more shareholder involvement, and greater scrutiny of how cooperative and condominium communities are governed. For boards and operators throughout New York, that trend deserves close attention.

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HPD Expands the Reach of the CONH Pilot Program for a Second Time: What Building Owners Need to Know About Int. No. 839-A



BY LOGAN J. O'CONNOR

On August 13, 2026, the City Council approved Int. 839-A (the "Bill"), which makes the Department of Housing Preservation and Development's ("HPD") Certificate of No Harassment ("CONH") Pilot Program permanent and provides for several amendments to current law.

The Bill was adopted on September 12, 2026, and became Local Law 138 of 2026.

Among other things, the Bill makes HPD's CONH Pilot Program permanent (which was otherwise scheduled to sunset on September 27, 2026), effective immediately, and expands the circumstances under which HPD can add a building to the Pilot Program List, effective April 15, 2027.

For some background, HPD's Pilot Program first went into effect on September 28, 2018, pursuant to Local Law 1 of 2018. Under HPD's Pilot Program, owners of buildings placed on the Pilot Program List will be denied issuance of a permit from the Department of Buildings ("DOB") for certain covered categories of work without first applying for and receiving a Certificate of No Harassment ("CONH") from HPD.

As part of the HPD Pilot Program CONH process, HPD conducts an investigation to determine whether tenant harassment has occurred at a building over a period of five (5) years, using HPD's definition of "harassment." If, following investigation, HPD were to make an initial determination that there is probable cause for a finding that harassment occurred, then owners had no choice but to either (i) refute the determination by hearing before the City's Office of Administrative Trials and Hearings ("OATH") or (ii) elect to take the statutory cure which would require the owner to set aside 25% of the building's floor area for low-income housing in perpetuity. If a final determination of harassment were issued by OATH, then the owner would have to either take the cure or wait five years and then apply for a CONH again, and the building's tenants could seek payment of at least \$5,000.00, plus reasonable attorneys' fees and costs.

New York City buildings may be added by HPD to the Pilot Program List if (i) a full vacate order has been issued by the DOB during preceding five years, (ii) a stop work order has been issued due to work without a permit, (iii) they were active participants in the HPD's alternative enforcement program for more than four months since February 1, 2016, (iv) a final determination of harassment had been made based on acts of harassment committed during the preceding five years, or (v) the building received a particular Building Quality Index ("BQI") score, which was intended to identify buildings with high levels of physical distress or ownership changes, as outlined in the statute.

The new Bill has now adds further circumstances under which buildings may be added to the Pilot Program List.

Where an owner has been denied a CONH or had a CONH rescinded by HPD within the prior 60 months, any building owned by that owner may be placed on the Pilot Program List.

Furthermore, where a harassment determination has been issued with respect to one building, inclusion on the Pilot Program List may now extend to other buildings owned by the same owner.

The inclusion of other buildings owned by the same owner is based on the ownership information identified in the building's multiple dwelling registration. The Bill also now requires owners to post notice of a building's inclusion on the Pilot Program List.

The news is not all one-way traffic: the Bill also bring some welcome changes. First, it provides for a specific procedure for requesting removal of a building from the Pilot Program List and requires HPD to review any requests for removal within a specific timeframe. HPD is required to prepare and issue a form application for removal of a building from the Pilot Program List. As of the date of this article, the form has not yet been issued. BBG attorneys will be monitoring for it.

Second, the Bill creates a clear exception to the CONH requirement for work that is purely cosmetic in nature and/or routine repairs and maintenance.

Against this backdrop, owners should take a proactive approach to understanding whether a specific building may be included on the Pilot Program List. Contact your BBG attorney to learn how the Bill might affect a specific building or to discuss any other questions you may have.

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CCFA Update: While Rent Arrears Owed Under A Lease Agreement Is Considered “Consumer Debt”, It Is Not Extended To The Definition Of A “Consumer Credit Transaction”



BY MARTIN MELTZER
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Although several courts have rejected the argument that rent arrears constitute a ‘consumer credit

transaction’ under the CCFA, recent decisions continue to clarify that residential rent obligations nevertheless fall within the broader definition of ‘consumer debt’ for purposes of post-judgment interest. The [Consumer Credit Fairness Act \(CCFA\)](#), signed into law by Governor Hochul on November 8, 2021 and effective on May 7, 2022, imposed significant changes to the CPLR as relating to “consumer credit transactions”. These changes included reducing the statute of limitations from six years to three years and requiring a plethora of new statutory notice requirements at the commencement and default stages of litigation.

Thereafter, Governor Hochul also signed [Senate Bill S5724A](#) into law on December 31, 2021, modifying the annual rate of interest to be paid in an action arising out of a “consumer debt” where a natural person is a defendant from 9% to 2% per annum beginning April 30, 2022.

Notably, not all “consumer debt” falls within the definition of “consumer credit transactions” and is subject to the new changes required under the CCFA. Particularly, unpaid rent owed pursuant to a lease agreement, while considered “consumer debt”, is not extended to the definition of a “consumer credit transaction.” Separately, the Fair Consumer Judgment Interest Act amended CPLR 5004 to provide a 2% annual interest rate in actions arising from consumer debt where a natural person is a defendant. That amendment took effect on April 30, 2022.

Definition of “Consumer Credit Transactions”

“Consumer credit transactions” are defined under [CPLR 105\(f\)](#) as a transaction where *credit is extended* to an individual and the money, property or service which is the subject of the transaction is primarily for personal, family or household purposes. Additionally, under [22 NYCRR 202.27-a\(1\)](#) “a consumer credit transaction means a *revolving or open-end credit transaction wherein credit is extended by a financial institution, which is in the business of extending credit*, to an individual primarily for personal, family or household purposes.”

Definition of “Consumer Debt”

“Consumer debt” is defined under [CPLR 5004\(b\)](#) as “any obligation or alleged obligation of any natural person to pay money arising out of a

transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal, family or household purposes, whether or not such obligation has been reduced to judgment, including, but not limited to, a consumer credit transaction, as defined in subdivision (f) of section one hundred five of this chapter.”

The distinction arises because the CCFA’s procedural requirements are directed principally toward actions involving the extension of credit. Courts have repeatedly held that a landlord does not extend credit by leasing an apartment and accepting periodic rent payments.

Recent Case Law

In [Rhumb W 21 LLC v. Wolfe](#), 2023 NY Slip Op 31906 [U] *4 (Sup. Ct. N.Y. Co. 2023), the court rejected the contention that a claim for unpaid rent was governed by the three-year statute of limitations period applicable to consumer credit transactions. Although the court used the broader phrase “consumer debt matter,” its analysis focused on whether a residential lease involves an extension of credit and therefore constitutes a consumer credit transaction.

Specifically, the court opined that:

Breaching a lease is not an issue typically characterized as a consumer debt dispute. A lease is not governed like a secured transaction. Instead, leases operate under the plethora of landlord tenant laws applicable in this state. Unpaid rent does not function like an unpaid credit card and a landlord is not in the business of extending credit—a landlord offers housing in exchange for payments. Moreover, because this is not a consumer debt matter, the statute of limitations is not three years.

Recently, in [Lefferts Ave. Ventures LLC v. Keennlyside](#), 88 Misc. 3d 1207(A) (Civ. Ct. Kings Co. 2026), the court similarly rejected the same argument. In doing so, the Civil Court cited to [Rhumb W 21 LLC v. Wolf](#) and held that “This Court is not aware of any controlling authority extending the definition of consumer credit transactions under CPLR 105 (f) to unpaid rent arrears.”

Further, In [Allen v. Whidbee](#), 88 Misc. 3d 319 (City Ct., Yonkers 2025), the court held both that a residential lease is not a “consumer credit transaction” because a landlord does not extend credit to a tenant, and that residential rent nevertheless constitutes “consumer debt” under CPLR 5004(b), thereby subjecting any resulting judgment against a natural person to the 2% interest rate established by CPLR 5004(a).

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Conclusion

Rent arrears owed pursuant to a lease agreement falls within the definition of “consumer debt” and is subject to the two percent interest rate for judgments entered against natural persons beginning April 30, 2022. However, since a landlord does not “extend credit” when entering into lease agreements with a tenant, rent arrears “consumer debt” has been carved out of the rigorous amendments set forth in the CCFA, which is more specifically for “consumer credit transactions.” As a result, rent arrears “consumer debt” actions remain subject to the six-year statute of limitations for breach of lease and contract actions or proceedings under CPLR 213(2) and were not modified to three-year statute of limitations imposed by the CCFA. Accordingly, where a landlord obtains a money judgment for rent arrears against a natural person, post-judgment interest may be limited to 2%, notwithstanding that the underlying claim is not governed by the CCFA’s procedural provisions applicable to consumer credit transactions.

Owners pursuing rent-arrears claims in Civil or Supreme courts should not assume that the CCFA’s consumer-credit pleading and notice requirements apply merely because the claim seeks money damages. Recent decisions continue to recognize a distinction between consumer debt and consumer credit transactions, preserving the traditional six-year limitations period for lease-based claims.

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LOFT LAW

When Government Delay Stalls Loft Law Compliance



BY MICHAEL BOBICK

The New York State Loft Law was enacted to address the widespread conversion of commercial and manufacturing buildings to residential use and create a pathway toward legalization. Under Article 7-C of the Multiple Dwelling Law (“MDL”), owners of Interim Multiple Dwellings (“IMDs”) are afforded certain protections, including the ability to collect rent and pursue legalization. In exchange, owners must satisfy statutory deadlines and demonstrate continued progress toward code compliance and a residential certificate of occupancy.

In recent years, legalization efforts have increasingly become complicated by circumstances outside an owner’s control. Administrative delays by the Loft Board, prolonged review periods by the Department of Buildings, Landmarks, and other agencies have made timely compliance difficult even for diligent owners. An important question arises: how should the Loft Board evaluate an owner’s “good faith efforts” when the agency’s own conduct contributes to the delay?

The Extension Framework Under MDL § 284

The Loft Law establishes four code-compliance milestones intended to move IMD buildings toward a final residential certificate of occupancy. Failure to satisfy these requirements can jeopardize significant statutory protections, including the right to collect rent under MDL § 285.

Recognizing that legalization is often complex, the Legislature authorized the Loft Board to grant extensions where an owner demonstrates good faith efforts and circumstances beyond its control. The extension mechanism reflects a legislative understanding that legalization frequently depends upon third parties, including governmental agencies, design professionals, utility providers, and occupants.

The Central Legal Question

The core issue is whether the Loft Board should evaluate an owner’s diligence without accounting for delays created or exacerbated by the agency itself.

While courts generally defer to agency determinations, that deference has limits. Agencies must articulate a rational basis for their decisions and address material facts in the record. A determination that fails to consider relevant circumstances may be vulnerable to challenge under CPLR Article 78.

Government Delay as a Relevant Factor

Historically, Loft Board extension applications have focused on litigation, tenant access disputes, construction obstacles, and regulatory approvals. The Court’s decision in *Dom Ben Realty Corp. v. New York City Loft Board* raises a more direct question: whether government delay itself constitutes a circumstance beyond the owner’s control.

The legalization process cannot begin until administrative approvals are obtained. If an owner must wait years for agency action before

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legalization efforts can proceed, a strict application of statutory deadlines may frustrate the purposes of the Loft Law. The statute was designed to encourage legalization, not create penalties where governmental processes prevent progress.

Broader Implications for Owners

Recent changes to the Loft Law have increased pressure on owners to complete legalization and obtain residential temporary or final certificates of occupancy within compressed timeframes. As compliance obligations become more demanding, disputes concerning delay and good faith efforts are likely to increase.

A judicial determination requiring the Loft Board to meaningfully consider agency-caused delays could have significant consequences for future extension applications. Owners may increasingly emphasize agency review timelines and document how administrative inactivity affected their ability to meet compliance milestones. Conversely, if such delays are deemed irrelevant, owners may face substantial consequences despite circumstances beyond their control.

Conclusion

The pending Dom Ben Realty litigation highlights an unresolved issue in Loft Law compliance and administrative due process. The case asks whether “good faith efforts” can be evaluated fairly without considering delays attributable to the agency administering the legalization process.

Whatever the outcome, the dispute highlights a broader reality of modern Loft Law practice: legalization is increasingly shaped by administrative timing and agency responsiveness. As legalization deadlines become more consequential, the courts may soon be called upon to define the role governmental delay should play in determining whether an owner has acted in good faith under MDL § 284.

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TAX EXEMPTIONS AND ZONING INCENTIVES

The Price of Getting Out of an MIH Obligation



BY DAVID SHAMSHOVICH

Sooner or later, most owners of a site in a Mandatory Inclusionary Housing area ask the same question: is there a way to satisfy the requirement without building the affordable units? The answer is yes, in two circumstances, and both come with a price that belongs in the

underwriting from the first day.

Five Routes, Two Without Building

For most projects, the available paths can be organized into five practical routes. Three of them mean building the affordable housing. It can go on site under one of the MIH Options, with Option 1 at 25 percent of the residential floor area within the MIH development and Option 2 at 30. It can go off site under ZR § 27-16(a), on an MIH site in the same community district or in an adjacent one within half a mile, at a premium under § 27-131(a)(5) that turns an Option 1 obligation, for example, moved entirely off site into 30 percent. Or the whole project can be built as publicly financed, fully income-restricted housing under a regulatory agreement with a government agency, which is a different business from the mixed-income development this article is about. (Citations are to the current Zoning Resolution; City of Yes moved the Inclusionary Housing provisions, formerly at § 23-154 and the § 23-90 series, into Article II, Chapter 7.)

The other two are the only as-of-right routes that involve no affordable floor area at all, and each has a gate. A contribution to the Affordable Housing Fund under § 27-131(a)(3)(v) is open to a project that adds no more than 25 units and less than 25,000 square feet of residential floor area to the zoning lot. The small project exception at ZR § 27-131(a)(4)(i) covers a single development, enlargement or conversion of no more than ten units and 12,500 square feet of residential floor area, on a zoning lot that existed when the MIH area was established. Both thresholds are cliffs. A project slightly too large gets no partial contribution, and a project with eleven units gets no reduced exception.

Eligibility is only the first question. The second is what the route costs, and the two answers are different in kind: the Fund is paid in cash, the exception in floor area forgone. On one 5,000 square foot lot, the Fund can mean a check for more than a million dollars, and the exception means an 11,000 square foot building where a compliant one could be 19,500. And there is a third question that catches owners who have answered the first two. On a zoning lot only partly inside an MIH area, it is not obvious whether these routes are open at all.

Paying the Fund

Take a 5,000 square foot lot in an R6 district outside any special district, away from a wide street. Under ZR § 23-22 the lot carries a 3.90 floor area ratio for qualifying affordable housing and 2.20 for standard residences, so the MIH path allows a 19,500 square foot building. Assume it will hold no more than 25 units.

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The Fund has one great advantage: it leaves the floor area ratio alone. A project within the thresholds keeps all 19,500 square feet. On a site that could hold more, though, staying within the thresholds can mean choosing not to build it. The two thresholds are also worded differently: a 25 unit project qualifies under “no more than 25,” but a project adding exactly 25,000 square feet fails “less than 25,000.”

The dollar amount is not in the Zoning Resolution at all. ZR § 27-131(a)(3)(v) directs that the contribution shall approximate what it would cost to provide the affordable floor area in that community district, and that HPD set a schedule by community district and update it every year. The first half tells you the Fund is written to match the obligation, not to discount it. The Fund’s eligibility ceilings sit above the small project exception’s limits, and the design reflects the administrative and monitoring difficulty of small numbers of affordable units.

The arithmetic is in HPD’s rules at 28 RCNY § 41-24: the average of what the project would have owed under Options 1 and 2, times a per square foot rate for the community district. Since Option 1 is 25 percent and Option 2 is 30, the average is 27.5 percent. On the 19,500 square foot building that is roughly 5,360 square feet.

The rate is what turns that into real money, and the rate is HPD’s estimate of what it costs to provide affordable floor area in each community district, which is what § 27-131(a)(3)(v) asks the contribution to approximate. The schedule for fiscal year 2026-27, in effect from July 1, 2026 through June 30, 2027, sorts the city’s 59 community districts into five tiers.

Tier Rates by Community District

TIER	RATE PER SQ. FT.	COMMUNITY DISTRICTS INCLUDE
1	\$1,150	Chelsea and Hell's Kitchen; the Upper West Side; Greenwich Village and SoHo; the Lower East Side
2	\$900	The Upper East Side; Downtown Brooklyn; Williamsburg and Greenpoint; Park Slope and Gowanus; Long Island City
3	\$530	Harlem and East Harlem; Bedford-Stuyvesant; Bushwick; Astoria
4	\$330	Washington Heights and Inwood; Flushing; Bay Ridge; Borough Park
5	\$215	Nearly all of the Bronx; East New York; Brownsville; Jamaica; the Rockaways; all of Staten Island

The neighborhood rezonings that mapped much of the city’s MIH land run the full length of that schedule, from SoHo-NoHo in Tier 1 through Gowanus, East Harlem and Inwood to East New York and the Jerome Avenue corridor in Tier 5. On this building, 5,360 square feet comes to about \$1.15 million in East New York and about \$6.16 million in Chelsea. The building has not changed at all; only its community district has.

And because the rate that applies is the one in effect on the day the MIH application is submitted, and the schedule resets every July 1, the filing date is itself a decision worth some thought.

The payment also comes early. Under 28 RCNY § 41-24(a)(1), before HPD issues a permit notice it has to approve the MIH application, an approved restrictive declaration has to be recorded, and the full contribution has to be paid. This is money that goes out before permits, and it belongs in the pre-construction budget.

What the Exception Costs

The small project exception is not a way of satisfying the requirement. It is the requirement not applying, and that is exactly where its cost comes from. Under ZR § 27-131(a)(2), a project that relies on an (a)(4) exception is limited to the floor area ratio that applies outside MIH areas, and it cannot turn to the Universal Affordability Preference to get the density back, because ZR § 27-111 defines a UAP development as one outside an MIH area.

On the 5,000 square foot R6 lot, an excepted building is built at 2.20 rather than 3.90: 11,000 square feet, with no more than ten units. That is 8,500 square feet less than the 19,500 square foot building a complying owner could put on the same lot. The exception takes nothing from the lot; it declines to give the higher floor area ratio that § 23-22 reserves for qualifying affordable housing.

The 8,500 square feet is a zoning comparison, not an economic one. A compliant Option 1 building would devote 4,875 of its 19,500 square feet to affordable floor area, while a Fund project can use the full 19,500 without providing affordable floor area. The economic comparison therefore depends on which compliant path the owner would otherwise pursue, the value of the affordable units, and whether the ten unit ceiling prevents the excepted project from using all 11,000 square feet.

Three independent ceilings apply to an excepted project: ten units, 12,500 square feet of residential floor area, and the floor area ratio for standard residences. As between the two floor area ceilings, the ratio controls on this 5,000 square foot R6 lot, since 2.20 yields 11,000 square feet, below 12,500. On an R6 lot larger than about 5,680 square feet, 12,500 becomes the tighter floor area ceiling. The unit ceiling runs separately. Ten units in 11,000 square feet is 1,100 square feet per unit, so a project designed with smaller units runs out of units before it runs out of floor area.

The exception also carries a condition the Fund does not: the zoning lot must have existed when the MIH area was established. That makes any subsequent change to the zoning lot’s configuration, including a contemplated merger, something to resolve before relying on the exception.

One special district measures eligibility differently. Citywide, nothing in ZR § 27-131(a)(4)(i) looks at what the lot could hold; the exception is

written in terms of the development, so a lot capable of more can be designed to fit within it. In the Special SoHo-NoHo Mixed Use District it cannot. For developments and enlargements, ZR § 143-04 measures the exception against what the zoning lot could hold at its maximum permitted residential floor area, after a specified floor area deduction, so building smaller does not preserve it. City Planning's summary of the plan as adopted in December 2021 named the purpose, eliminating the incentive to under-build, and the Manhattan Borough President's December 2015 recommendation on the MIH text amendment had pointed to the pattern, citing recent loft conversions in the area of 12,038, 10,807 and 11,697 square feet, each just under the line.

Two Different Envelopes

It is tempting to read the Fund and the exception as two interchangeable ways around the same obligation. They are not. The exception works by making the requirement inapplicable to a project within its limits, under ZR § 27-131(a)(4)(i), and (a)(2) then holds that project to the ratio for standard residences. The Fund is a way of complying with the requirement, so it belongs to a project that is inside MIH, building at the ratio for qualifying affordable housing, and adding no more than 25 units and less than 25,000 square feet. The two lead to different zoning envelopes. On the 5,000 square foot R6 lot, the lanes are 11,000 square feet and ten units on one side, and 19,500 square feet and up to 25 units on the other, with a contribution that stands in for the affordable floor area so that all 19,500 can be market-rate.

The decision an owner actually makes, then, is a sizing decision at the design stage. If the excepted project can use all 11,000 square feet, the Fund permits 8,500 additional square feet of market-rate floor area. At the fiscal year 2026-27 rates, the contribution works out to roughly \$135 to \$725 for each of those additional square feet, paid before permits. Whether that pencils depends on the community district and the pro forma.

Partially Mapped Zoning Lots

The place where this analysis most often goes wrong is a zoning lot only partly inside an MIH area, and it goes wrong for a reason that is easy to see once it is pointed out. Three provisions within a few lines of one another in ZR § 27-131(a), the Option percentages, the Fund threshold and the small project exception, measure three different things, and the words used for two of them invite the reader to assume they measure the same thing as the first.

Each Option sets the requirement as a percentage of "the residential floor area within such MIH development," with no reference to the zoning lot. Section 27-133 applies the Program "in Mandatory Inclusionary Housing areas," and § 12-10 recognizes a development on "a zoning lot or a portion thereof." Taken together, those provisions support measuring the obligation on the floor area the mapped portion accounts for rather than on the whole building, which is also how HPD has processed our applications. So take a 20,000 square foot lot with

only its rear tenth inside the MIH area, built out at a 4.0 floor area ratio. The mapped 2,000 square feet accounts for 8,000 square feet of an 80,000 square foot building, and the Option 1 obligation is 25 percent of 8,000, or 2,000 square feet, not 20,000. How that allocation is made is the one step the Zoning Resolution does not spell out, so it should be documented in the application, not assumed.

The two exits are measured differently, and neither shrinks with the obligation. The Fund threshold is expressly "residential floor area on the zoning lot," so on that project it is unavailable no matter how little of the lot is mapped, because the increase on the lot is far beyond 25,000 square feet. The exception reaches "a single development" of a stated size, and HPD measures that against the whole resulting project. A reader who has just learned that the obligation follows the mapped portion naturally expects a "payment option" and an "exception" to follow it too. Neither does. An owner can end up with a modest obligation and no as-of-right way around it.

None of this waits for occupancy, which is why it belongs in the underwriting. A route that turns out to be closed, or priced differently from what the model assumed, will surface at the permit stage if it was not settled at feasibility, and for most sponsors that comes after the land is bought and the design is fixed.

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When Off-Site MIH or UAP Makes Sense



**BY CAMILA ALMEIDA
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SLOCHOWSKY**

Clients regularly ask us whether affordable housing required under the Mandatory Inclusionary

Housing (MIH) program or provided in order to earn bonus floor area under the Universal Affordability Preference (UAP) program can or should be located off-site. The answer has surprisingly little to do with affordable housing itself. Rather, whether the project will be rental or condominium drives nearly every downstream decision.

What Off-Site Means and How It Works

Both the MIH and UAP programs permit a developer to satisfy its affordable housing obligation on a separate zoning lot. The off-site lot must be located within the same Community District as the development or within one-half mile of it in an adjacent Community District, subject to the applicable program's requirements and the approval of the New York City Department of Housing Preservation and Development (HPD). For MIH, however, going off-site comes at a cost: it increases the required amount of affordable floor area.

Off-site UAP is more restricted. For developments in a former Inclusionary Housing Designated Area (IHDA) or an R10 zoning district, UAP floor area may be generated by a new construction, preservation, or conversion project and transferred off-site to a separate zoning lot within the same Community District or within one-half mile in an adjacent Community District. The former IHDAs are listed by borough and Community District in Appendix F of the Zoning Resolution. If the development does not fall within a former IHDA or R10 district, off-site UAP is simply not available (even where off-site MIH would be).

Knowing these qualifications, the question then becomes, "When does providing off-site affordability make sense?" The answer depends on whether the plan is to construct rental or condominium units.

Rental and 485-x: On-Site Usually Wins

A developer pursuing a 485-x tax exemption is already building affordable rental units as a condition of the exemption. Under Affordability Option B of Section 485-x of the New York Real Property Tax Law for modest rental (6-99 rental units) – the most commonly used option – at least twenty percent (20%) of units on the site receiving the exemption must be affordable, with a weighted average not exceeding eighty percent (80%) Area Median Income (AMI). A developer can then use those same units to satisfy its MIH or UAP obligation so long as the affordable units meet the requirements of both programs. The requirements of neither 485-x nor MIH/UAP are reduced or waived.

Rather, it is one set of units satisfying two overlapping regulatory frameworks, ensuring that the more restrictive provisions are met. Off-site affordable units, by contrast, could not count toward 485-x, which requires the affordable units to be located within the site receiving the exemption, so the developer would be providing two sets of affordable units. This is what makes on-site the natural and most financially feasible path for rental.

Condo: Off-Site Is Usually the Better Fit

One of the main objectives for a condominium sponsor is to ensure all of the condominium units are sold. Although both MIH and UAP allow affordable units to be structured as homeownership units, the resale restrictions, income qualification requirements, and ongoing HPD oversight add complexity that most condo sponsors would rather avoid. Mixing for-sale condominium units with affordable rental units in the same building presents its own challenges as well.

Providing affordable housing off-site moves the obligation to a building designed for long-term affordability. The developer's building remains the product intended to be built, and the affordable units are delivered at a purpose-built rental site where the regulatory infrastructure, management, and financing are designed around permanent affordability from the start.

However, there is a catch: under the Zoning Resolution, the New York City Department of Buildings (DOB) will not issue a permanent certificate of occupancy for an MIH or UAP development until HPD has issued a completion notice for the affordable housing. The temporary certificate of occupancy carve-out in the Zoning Resolution reaches only stories containing affordable units, so a fully market-rate condominium building cannot receive its temporary certificate of occupancy until the affordable site completes the HPD process. That means the condominium's certificate of occupancy, and with it, the ability to sell and occupy the units, is tied to the off-site affordable rental building satisfying every condition required for HPD to issue the completion notice. Only after the affordable rental building clears that threshold can the condominium pull its own certificate of occupancy. For UAP, the result is narrower: the Zoning Resolution also permits a temporary certificate of occupancy for the standard residential floor area, so only the condominium's bonus floor area waits for the completion notice. The sponsor controls the product, but the affordable rental building sits on the critical path to delivering it.

A Matter of Fit, Not Avoidance

Providing affordability off-site is not about avoiding the obligation; it is about matching the obligation to the product being constructed. For rental developers pursuing 485-x, on-site is the natural fit, as the affordable rental units are already being provided. For condo sponsors, off-site keeps the product clean, but the completion-notice gate means

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the affordable building must be part of the development plan from day one, not an afterthought. Answering this structural question at the outset is one of the most consequential planning decisions on any MIH or UAP project.

Camila Almeida and Brenda Slochowsky are members of BBG's TEZI practice. Camila can be reached at (212) 485-5279 or calmeida@bbgllp.com, and Brenda at (212) 485-5298 or bslochowsky@bbgllp.com.

ZONING AND LAND USE

Inside the City's First Fair Housing Growth Strategy



**BY RON MANDEL AND
ALAINA GREENE**

On August 19, 2026, the Department of Housing Preservation and Development (“HPD”) and the Department of City Planning (“DCP”) [released](#)

[a draft report of the City's first Fair Housing Growth Strategy](#). The report estimates that New York City needs approximately 700,000 new homes over the next decade and, for the first time, assigns a five-year housing production target to each of the City's 59 community districts.

While the targets in the report are non-binding and have no direct land use impacts or requirements, it does require the City to create a record concerning where new housing should be built and how much of it should be affordable, community district by community district. This record is likely to inform future neighborhood rezonings, financing decisions and capital planning, as well as give property owners and applicants a new reference point prior to beginning the public review process for a discretionary approval.

Background

The Fair Housing Growth Strategy is required by Local Law 167 of 2023, the Fair Housing Framework legislation the City Council passed unanimously that year. The law directs HPD and DCP to produce three components every five years: a ten-year assessment of the City's housing need, five-year housing production targets at the citywide and community district levels and a Strategic Equity Framework identifying obstacles to fair housing and the strategies needed to overcome them.

700,000 New Homes and a Target for Every Community District

Approximately 290,000 of the citywide target of 700,000 homes aim to address the existing housing shortage, which the draft report measures by the units needed to lift the City's current 1.41 percent rental vacancy

rate to a healthier level, house New Yorkers currently living in shelters, relieve overcrowding in doubled-up households and allow adults living with parents or roommates the opportunity to live on their own. Another 240,000 of the 700,000 home target account for projected household growth, and the remaining 170,000 reflect the City's expectation that a better-supplied market will keep more residents in the City as well as draw new residents.

The five-year citywide target is 350,000 new homes, half of the ten-year target, including 85,000 affordable homes, 25,500 deeply affordable homes (at or below 60% of the Area Median Income (“AMI”), and 12,750 homes for households experiencing homelessness. A separate target calls for preserving 100,000 existing homes with government support. To determine how to allocate the 350,000 new homes, the draft report sorts each community district into three equal groups based on their housing growth rate from 2016 through 2025 and then assigns each a five-year growth rate:

- **Low Growers (0.07%–0.33% Annual Growth):** asked to add 6.5 percentage points to their recent five-year growth rate.
- **Medium Growers (0.34%–1.07% Annual Growth):** assigned an 8.75 percent growth rate over five years.
- **High Growers (1.09%–3.27% Annual Growth):** assigned a 10 percent growth rate over five years.

Additionally, community districts which HPD designated as “Limited Affordability Areas,” those with the fewest affordable rentals for median-income households, receive a 25 percent increase to their target growth rates, which is then applied to each community district's 2025 housing stock. Staten Island's Community District 2, for example, is part of both the Low Grower group and is a designated Limited Affordability Area. Its Low Grower target growth rate is 7.7 percent, which is further increased to 9.63 percent based on the Limited Affordability Area designation. Applied to 52,095 existing homes, that yields a target of 5,015 new homes by 2030, 1,255 of them affordable.

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The intended effect is a more even distribution of housing growth. The bottom third of the slowest-growing community districts would be asked to produce approximately 113,000, which is close to the 122,000 asked of the fastest-growing third of community districts. Because assigned growth rates apply to existing housing stock, large districts with little recent construction draw some of the largest numbers and Manhattan Community District 8 (Upper East Side and Roosevelt Island) carries the highest target in the City at 12,725 homes.

Practical Effects

Although the growth targets are non-binding, they are likely to produce practical effects for property owners, developers and DCP applicants in several ways.

First, they provide a public, community district-specific benchmark. For example, an applicant seeking a rezoning in a district well behind its growth target can point to the City's own figures before the community board, borough president, and City Planning Commission during the Uniform Land Use Review Procedure (ULURP).

Second, the draft report signals where the City is likely to employ the land use and housing production tools at its disposal. Its emphasis on rezoning low-production areas and financing affordable housing in low-growth Limited Affordability Areas suggests that City-initiated neighborhood plans and HPD financing priorities are likely to follow the growth targets.

Third, the growth targets are aligned with procedural housing reforms approved by voters last year. Much of the Low Grower group outside of Manhattan is zoned for lower-density residential use, where the

Expedited Land Use Review Procedure (ELURP) covers rezonings of districts up to 2.0 FAR and 45 feet. Further, in the 12 community districts with the lowest rates of affordable housing development, where the new Affordable Housing Fast Track will be in effect, qualifying rezonings which facilitate affordable housing will be decided by the City Planning Commission without the need for City Council review. Accordingly, owners and developers should consider how these pathways overlap before pursuing a rezoning application.

Next Steps

Public comment closed on September 19, 2026, and HPD and DCP expect to release the final report in October, which will be updated every five years.

BBG's land use and zoning team is continuing to monitor these new City-sponsored housing production developments, and is available to discuss how to best align your proposed project with the newly released report and approval pathways.

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) 867-4608 or rmandel@bbgllp.com.

ZONING AND LAND USE

Department of City Planning Announces Community Districts Eligible for New Affordable Housing Fast Track



**BY RON MANDEL AND
ALAINA GREENE**

On October 1, 2026, the Mamdani Administration and the Department of City Planning ("DCP") announced the 12 community districts where

the voter-approved Affordable Housing Fast Track will take effect next year.

The Fast Track stems from City Charter amendments approved by New York City voters in November 2025 to address the uneven distribution of affordable housing, and the districts were identified using a

methodology the administration adopted in April 2026 that measures affordable housing production relative to each district's existing housing stock.

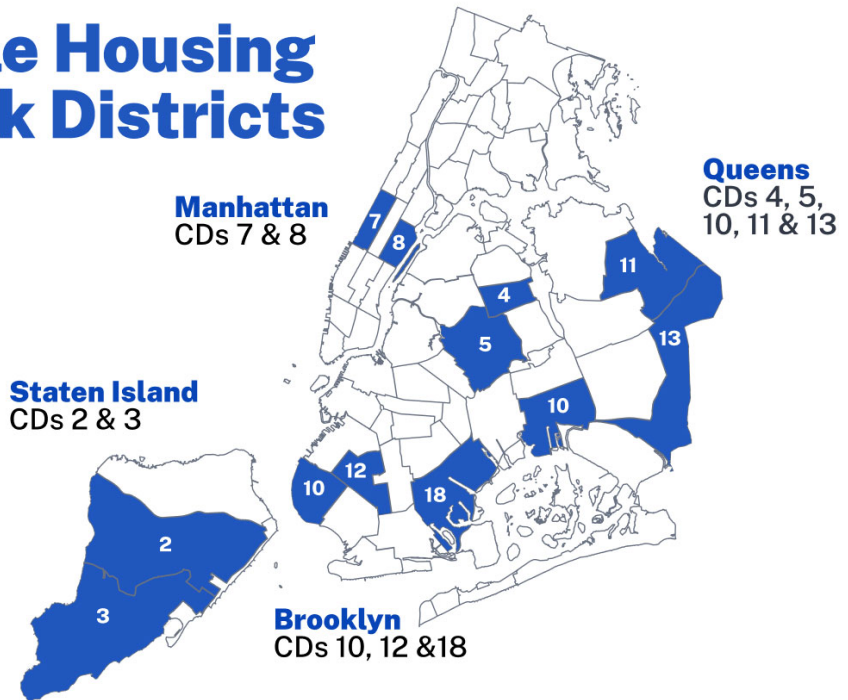
The community districts, selected because they had the lowest rate of affordable housing production in the City, are:

- **Brooklyn:** CD 10 (Bay Ridge, Dyker Heights), CD 12 (Borough Park, Kensington), and CD 18 (Canarsie, Flatlands)
- **Manhattan:** CD 7 (Upper West Side) and CD 8 (Upper East Side, Roosevelt Island)

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Affordable Housing Fast Track Districts



- **Queens:** CD 4 (Corona, Elmhurst), CD 5 (Ridgewood, Maspeth, Middle Village), CD 10 (South Ozone Park, Howard Beach), CD 11 (Auburndale, Bayside, Douglaston), and CD 13 (Queens Village, Bellerose, Rosedale)
- **Staten Island:** CD 2 (Mid-Island) and CD 3 (South Shore)

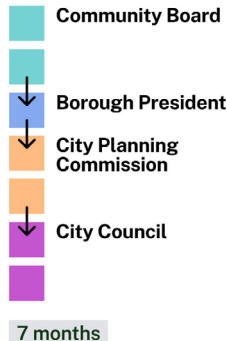
Together, these districts produced just 883 of the City’s 63,870 new affordable homes over the past five years, or 1.1% of the citywide total.

Beginning January 1, 2027, eligible rezoning proposals that create affordable housing in these districts will go through a streamlined 90-day public review process, cutting roughly four months from the traditional Uniform Land Use Review Procedure (“ULURP”).

Affordable Housing Fast Track



Uniform Land Use Review Procedure (ULURP)



Community Board and Borough President reviews are preserved, along with opportunities for public input, and the Fast Track does not change environmental review requirements or landmark protections. The designated districts will be recalculated every five years, with the next list to be issued in October 2031.

For owners and developers, a condensed review period for eligible rezonings which produce affordable housing may significantly reduce overall project timelines and carrying costs, and may increase the value of sites appropriate for higher-density development. The administration has also stated that it will explore City-sponsored land use actions in these districts in the coming months, which could affect zoning in the surrounding area even without initiation by a private applicant.

Contact Us

We recommend that owners and developers with properties in or near these districts review how the Fast Track may affect pending acquisitions, financing, and development plans. Reach out to BBG’s zoning and land use attorneys or contact us here to discuss how the Affordable Housing Fast Track may affect your properties or projects.

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) 867-4608 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.

COURT ORDERS LEAK REPAIR PLAN, NOT RECEIVER

Kapoor v. 271 Tenants Corp. Supreme Court, New York County

COMMENT | Courts may require a comprehensive leak-remediation plan but generally will not let owners dictate methods or obtain a receiver.

CONDO BOARD MEMBER INDEMNIFICATION HAS LIMITS

Board of Mgrs. of the 432 Park Condominium v. 56th & Park (NY) Owner, LLC Appellate Division, First Department

COMMENT | Board-member indemnification in intra-board disputes requires clear, unequivocal authorization in the governing documents.

TERRACE PAVER COSTS FALL ON CONDO UNIT OWNER

Stillpoint Meadows PH-62, LLC v. Residential Bd. of Mgrs. of the 62 Cooper Square Condo. Appellate Division, First Department

COMMENT | Clear governing documents can shift limited-common-element maintenance costs to owners; unsupported retaliation claims will not override them.

FAILURE TO MAINTAIN INSURANCE JUSTIFIES CO-OP LEASE

TERMINATION *71st Str.-Lexington Corp. v. Frankel* Appellate Division, First Department

COMMENT | Failure to maintain required insurance may justify lease termination, a share sale, and attorneys' fees if not cured.

CO-OP CANNOT UNILATERALLY ELIMINATE UNIQUE LEASE RIGHTS

Hubshman v. 1010 Tenants Corp. Appellate Division, First Department

COMMENT | A co-op cannot eliminate apartment-specific lease rights without required shareholder consent, especially where tied to the offering plan.

RECEIVER APPOINTED IN CONDO COMMON-CHARGE FORECLOSURE

140 E. 56Th St. Condo. v. Bosboom Supreme Court, New York County

COMMENT | Bylaw authority may support a receiver and fair-market rent in common-charge foreclosure; maintenance disputes generally do not excuse payment.

DISCRIMINATION CLAIM FAILS; ACCOMMODATION CLAIM DOES NOT REQUIRE INTENT

Bizelia v. Clinton Towers Hous. Inc. U.S. District Court, Southern District of New York

COMMENT | Disparate-treatment claims require discriminatory intent; accommodation claims do not. Boards and managers should promptly document and review every accommodation request.

CONDO FAILS TO WIN DISMISSAL OF TRIP-AND-FALL CLAIM

Goldenberg v. Theodore Appellate Division, Second Department

COMMENT | A specific account of a fall may defeat dismissal; managers should preserve reports, photographs, video, inspection records, and witness information.

CONFLICTING ACCIDENT ACCOUNTS PRECLUDE SUMMARY JUDGMENT

Gabriel v. Top 8 Constr. Corp. Appellate Division, Second Department

COMMENT | Conflicting accident accounts may bar early dismissal; promptly preserve photographs, video, work logs, contracts, and witness statements.

CO-OP'S DUTY-OF-LOYALTY COUNTERCLAIMS SURVIVE DISMISSAL

Haimovici v. Castle Vill. Owners Corp. U.S. District Court, Eastern District of New York

COMMENT | Detailed employee-misconduct allegations may support duty-of-loyalty claims; document concerns and preserve relevant communications and financial records.

SPONSOR'S DEFAMATION CLAIM DISMISSED TO PROTECT FREE SPEECH

Greenwich Bldg. Co. v. Hoots Supreme Court, Kings County

COMMENT | Critical statements are not always actionable; use accurate, documented responses and seek legal review before asserting defamation.

RELEASE BARS CONSTRUCTION-DEFECT INDEMNITY CLAIMS

Bd. of Mgrs. of the Waterwheel Condo. v. Ardsley Waterwheel Partners, LLC Appellate Division, Second Department

COMMENT | A release may waive construction-defect indemnity claims; identify responsible parties, contracts, insurance rights, and claims to preserve before signing.

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COURT DECLINES TO DICTATE METHOD OF RECORDS INSPECTION

Dima v. 555 Mclean Ave Apartments Corp. Supreme Court, Westchester County

COMMENT | A shareholder may not dictate the inspection method; use a consistent records-access protocol that protects privileged and confidential information.

RPAPL 881 LICENSE FEE REFLECTS IMPACT OF MAJOR CONSTRUCTION

Matter of 592 Marcy Holdings LLC v. Bd. of Mgrs. of the Marcy Villa Condo. Supreme Court, Kings County

COMMENT | RPAPL § 881 fees may reflect construction disruption and risk; document impacts, protections, professional costs, and resident inconvenience.

ASSOCIATIONAL DISCRIMINATION CLAIM DISMISSED FOR LACK OF STANDING

Sawyer v. 1120 Fifth Ave. Corp. U.S. District Court, Southern District of New York

COMMENT | Associational claims require a protected connection; consistently review and document every discrimination complaint.

CO-OP'S SUBLET APPROVAL PROCESS MAY CONTRADICT PROPRIETARY LEASE

Turtz v. Convention Overlook, Inc. Civil Court, City of New York, New York County

COMMENT | Sublet procedures must match the proprietary lease; confirm whether the board may approve, reject, or only exercise a right of first refusal.

CONSTRUCTION-FRAUD CLAIMS DISMISSED FOR LACK OF DILIGENCE

Davydov v. Bd. of Mgrs. of the Forestal (Davydov v. Midforest P'ship) U.S. District Court, Eastern District of New York

COMMENT | Construction-fraud claims may fail without reasonable diligence; promptly investigate warning signs and document when defects were discovered.

COMMERCIAL TENANT WINS DISMISSAL OF PREMISES-LIABILITY CLAIM

Fuentes v. Parkchester S. Condo., Inc. Appellate Division, First Department

COMMENT | Liability may turn on who controlled the accident location; keep governing documents, agreements, inspection records, and incident evidence organized.

HOUSING DEFENDANTS FAIL TO ESTABLISH ENTITLEMENT TO DISMISSAL

Guerrero v. Van Sinderen Plaza Hous. Dev. Fund Corp. Appellate Division, Second Department

COMMENT | Defendants must independently establish entitlement to dismissal; preserve inspection, maintenance, notice, repair, and incident records.

FALLING STONE PANEL SUPPORTS LABOR LAW LIABILITY

Morina v. 250 Broadway Assocs. Corp. Appellate Division, First Department

COMMENT | Unsecured heavy materials may trigger Labor Law liability; require safety plans, qualified contractors, indemnification, and current insurance.

EARLIER MORTGAGE HAS PRIORITY OVER CONDO'S LATER LIEN

Wilmington Trust v. 17 Battery Place Condo. Appellate Division, First Department

COMMENT | A senior mortgage generally outranks a later common-charge lien; assess priority, debt, value, costs, and likely recovery before foreclosure.

INSURER'S PARTIAL DISMISSAL MOTION RESOLVES UNPLEADED BAD-FAITH THEORIES

Walton Condo. v. Landmark Am. Ins. Co. U.S. District Court, Southern District of New York

COMMENT | Coverage pleadings should clearly align asserted claims and remedies with the policy, loss records, carrier communications, and coverage objectives.

PRIOR LICENSE AGREEMENTS DO NOT CONTROL RPAPL 881 FEE

Matter of 144 Barrow St. LLC v. Bd. of Mgrs. of 130 Barrow St. Condo. Appellate Division, First Department

COMMENT | Prior access agreements do not control RPAPL § 881 fees; support current fees with evidence of access, duration, disruption, cost, and risk.

CONDO OWNERS MAY PURSUE SEVERED DAMAGE COUNTERCLAIM

Bd. of Mgrs. of Wash. Ct. Condo. v. Carl Appellate Division, First Department

COMMENT | Collection and owner-damage claims may proceed separately; enforce payment while documenting and addressing reported building conditions.

Recent Transactions of Note

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

Buy/Sell and Refinancing Transactions

Partner **Craig L. Price** and associate **Joshua A. Sycoff** represented the seller in the \$24.5M sale of 192 Columbia Heights, a historic Brooklyn Heights townhouse. The transaction was Brooklyn's most expensive residential sale of 2026 and the third-most expensive residential sale in the borough's history. The \$24.5M transaction surpassed Brooklyn's previous high-water mark for 2026 of \$16.3M and ranks behind only two residential sales in the borough's history.

The landmark transaction received significant media attention and was featured in [The Real Deal](#), [The New York Times](#), and [6sqft](#).

Messrs. Price and Sycoff:

- Represented the purchaser in connection the purchase of a Park Slope townhouse for more than \$11M.
- Represented the seller in the \$11.9M sale of a townhouse in Cobble Hill.
- Represented the seller in the \$13M sale of a townhouse in Chelsea.
- Represented the purchaser in the \$13M acquisition of a townhouse in Carnegie Hill.

Partners **Stephen M. Tretola** and **Murray D. Schneier, Mr. Sycoff**, and law clerk **Marc Ziarno** represented a sponsor in connection with the \$24M recapitalization of the preferred investment in a 398 unit multifamily development in New Haven, CT.

Messrs. Tretola and **Schneier** assisted in the representation of a Harlem-based developer and its members in connection with its \$28M acquisition of the landmarked Odd Fellows Hall in Little Italy, a historic office building dating to the 1840s. The transaction was featured in [Crain's New York Business](#).

Partners **Daniel T. Altman** and **Lawrence T. Shepps** represented the sellers in connection with the restructuring of ownership and subsequent \$56M sale of a shopping center located in Whitestone, New York.

Mr. Shepps represented the seller in the \$18M sale of commercial building in midtown Manhattan.

Mr. Shepps and partner **Michael A. Mulia** represented the Purchaser in the \$16M Acquisition of a Multifamily property

located in Brooklyn, with acquisition and future advance financing being provided by Israel Discount Bank of New York.

Mr. Shepps and associate **Jessica R. Brenner** represented the seller in the \$3M sale of mixed-use property located in the East Village neighborhood of NYC.

Partner Michael Shampam:

- Represented a co-op corporation located in Manhattan's Upper East Side in connection with a \$16.5M refinance of their underlying building mortgage Apple Bank.
- Represented the buyer of a \$10.4M co-op apartment located in Manhattan's Greenwich Village.

Partner Michael A. Mulia:

- Represented the purchaser in connection with the purchase of a retail property located at 50 Spring Street in SoHo for \$9.49M.
- Represented the purchaser in connection with the purchase of a multifamily building located at 135 West 24th Street in Chelsea for \$18.15M.
- Represented the purchaser in connection with the purchase of a retail property located at 670 Avenue of the Americas in the Flatiron District for \$7.25M.
- Represented the purchaser in connection with the purchase of a multifamily building located at 212 8th Avenue in Chelsea for \$10.3M.
- Represented the purchaser in connection with the purchase of a multifamily building located at 211 West 85th Street on the Upper West Side for \$11.5M.
- Represented the purchaser in connection with the purchase of a multifamily building located at 17 Prince Street in NoLita for \$12.5M.
- Represented the seller in connection with the sale of a multifamily building located at 245 Eldridge Street on the Lower East Side for \$24M.
- Represented the purchaser in connection with the purchase of a multifamily building located at 143 Ludlow Street on the Lower East Side for \$16.4M.

Commercial Leases

Partner **Allison Lissner** and associate **Lauren Tobin** negotiated and finalized several leases for a national fast-casual hamburger/hot dog company in connection with their continued expansion plans across the United States, including locations in Foley, Alabama, Mansfield, Texas, Pinellas, Florida and Greensboro, North Carolina.

Partner **Daniel T. Altman** and **Ms. Tobin** negotiated a lease on behalf of a tenant operating a modern beauty education company offering step-by-step make up classes and instructions.

Ms. Lissner and **Ms. Tobin** represented a co-op board in the negotiation of a lease for a well-known Pilates studio with a tenant operating multiple existing studios in the Northeast.

Partner **Michael A. Mulia** and **Ms. Tobin** represented a shopping center owner in the negotiation of a lease with a national smoothie café franchisee tenant.

Ms. Lissner:

- Represented an owner in connection with a lease to a growing NYC marketplace/deli in the Upper East Side.

- Represented a national REIT in connection with a lease to an outpatient infusion therapy facility in Westchester, NY.
- Represented a co-op board in connection with a long-term renewal of a “CityMD” lease in the Upper East Side.
- Represented a commercial condominium owner in the leasing of a medical office to a large NYC hospital for its new dermatology practice.

Partner Robert Marshall:

- Represented a landlord in the negotiation of a commercial lease to a renowned dance instructor, teacher and choreographer for ballroom dance studio space in Manhattan.
- Represented a landlord in the negotiation of a commercial lease to a celebrated carpet designer, maker and dealer for custom, vintage and antique carpets and rugs showroom space in Manhattan.

Recent Notable Matters Handled by Our Construction Team

Partner Robert Marshall:

- Represented an owner in the negotiation of master architect agreement for multiple service orders and master contractor agreement for multiple work orders for renovation and repair projects in Manhattan.
- Represented an owner in the negotiation of general contractor agreement for affordable housing construction project in New Jersey.
- Represented owners in the negotiation of multiple architectural, engineering and design services agreements for construction projects in Manhattan and Brooklyn.
- Represented an owner in the negotiation of general contractor agreement for office suites build-out project in Manhattan.
- Represented owners in the negotiation of numerous general contractor agreements for façade, roof and sidewalk repair projects in Manhattan and Brooklyn.
- Represented owner in the negotiation of general contractor agreement for garage repair project in Manhattan.
- Represented owners in the negotiation of various general contractor agreements for elevator modernization projects in Manhattan.

Associate Joseph Verga:

- Represented an owner’s representative in the negotiation of an owner’s representative agreement in connection with a residential interior renovation project in Manhattan.
- Represented an owner in the negotiation of a project manager agreement in connection with an elevator modernization project in Manhattan.
- 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 an owner in connection with the coordination of ongoing renovations with new construction project adjacent to seven-building cooperative complex.
- Represented an owner in the negotiation of design and construction contracts for full renovation of historic townhouse in Manhattan.
- Represented owners in the negotiation of multiple license agreements for access to and protection of adjoining properties during construction projects in Manhattan and Brooklyn.

BBG In The News

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

Founding partner **Sherwin Belkin** was quoted in POLITICO on potential future challenges to New York's Rent Stabilization Laws. **Mr. Belkin** was also quoted by The Real Deal, Hell Gate, and CRE Daily on the lawsuit challenging New York City's rent freeze for rent-stabilized apartments.

Co-chair of BBG's Tax Exemptions and Zoning Incentives practice **David Shamshovich** was quoted in The Real Deal on Article XI Tax relief for rent-stabilized buildings.

Co-op and Condo Law partner **Lloyd F. Reisman** was quoted by Law.com on the litigation challenging the City's proposed pied-à-terre (PAT) tax. **Mr. Reisman** was also quoted by amNewYork on the PAT tax.

Litigation partner **Scott Loffredo** was quoted by amNewYork on the pending New York City rent freeze litigation.

Best Lawyers® Names 12 BBG Attorneys in 2026 New York Metro Rankings

Twelve BBG attorneys were recognized by The Best Lawyers in America® in its 2027 New York City Metro rankings across several of the firm's core practice areas, including Real Estate Litigation, Transactional, Leasing, Land Use and Zoning, Co-op and Condo, and Construction Law. The numbers in parentheses below denote the number of years recognized. We are proud to celebrate and congratulate the following BBG attorneys:

BEST LAWYERS:

Daniel T. Altman - Co-Chair, Transactional Department (2)

Sherwin Belkin - Administrative Law Department (2)

Magda Cruz - Appellate Litigation Practice (4)

Jeffrey L. Goldman - Chair, Litigation Department (4)

Kara Rakowski - Chair, Administrative Law Department (4)

Lloyd F. Reisman - Co-op and Condo Law Practice (1)

BEST LAWYERS "ONES TO WATCH":

Adam M. Bernstein - Litigation Department (2)

Nitisha Bishnoi - Litigation Department (2)

Israel A. Katz - Litigation Department (2)

Benjamin J. Margolin - Litigation Department (4)

Frank Noriega - Land Use and Zoning Practice (2)

Alex B. Pia - Litigation Department (2)



BBG Hosts Annual Client Golf Outing

BBG was thrilled to welcome more than 40 golfers to our annual Client Golf Outing at White Beeches Golf and Country Club in New Jersey.

The event brought together clients, colleagues, and friends of the firm for a day of golf, conversation, and friendly competition, followed by a dinner reception. We are grateful to everyone who joined us and helped make the outing a success.

It was a pleasure spending time together both on the course and afterward at dinner, and we look forward to continuing this tradition in the years ahead.

We're already looking forward to next year!



BBG Continues to Expand and Welcomes New Hires

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



FLETCHER CORLEY

Associate, Co-op and Condo Law Practice

Fletcher represents condominium and cooperative boards, property owners, and other clients in a broad range of real estate disputes and governance matters.

Their practice includes advising boards on day-to-day operational and legal issues, negotiating access and alteration agreements, and representing clients in litigation, landlord-tenant proceedings, and administrative matters.

New Hires – Professional Support Staff

The following individuals joined BBG as professional support staff:

KYRA UGHULU, Paralegal

HOWARD GROSS, Junior Staff Accountant

BBG Anniversaries

BBG would like to acknowledge and the following members of the BBG team who have been with the Firm for at least five years and whose work anniversary dates fall between July and September. We deeply appreciate their dedication, hard work, and continued commitment to the Firm:

Martin J. Heistein, Partner – 34 Years

Melvin Esser, Process Server & Paralegal – 30 Years

Paul Kazanecki, Legal Assistant – 26 Years

Charleuan McDonald, HR & Admin. Coordinator – 26 Years

Jaime Orellana-Borjas, Office Services Clerk – 22 Years

Timothy Sanabria, Office Services Clerk – 22 Years

Levonina White, Legal Assistant – 22 Years

Allison R. Lissner, Partner – 13 Years

Logan J. O'Connor, Partner – 8 Years

Ron Mandel, Partner – 7 Years

Aris E. Dutka, Partner – 6 Years

Rafaela Nieves, Lead Secretary – 5 Years



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The lawsuit challenging the rent freeze imposed by the NYC Rent Guidelines Board took an interesting turn this week. The suit is an Article 78 proceeding challenging an administrative determination. The petitioners sought "discovery" of communications between City Hall and the RGB. Judge Brendan Lantry granted discovery -- which is unusual in this type of proceeding.

Language in the decision highlights the many "unusual" issues the Judge noted:

1. It is unusual for a mayoral candidate to "guarantee" a rent freeze by an allegedly independent board before it has gathered its data;
2. It is rare for a RGB member to resign in protest, alleging a sham proceeding;
3. It is unusual (actually unprecedented) for a freeze to be imposed on both one and two year leases.
4. It is unusual for the RGB vote to offer no context for its determination. Media reports have focused on the granting of discovery. I find the Judge's comments as to the circumstances surrounding the freeze to warrant greater attention.

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