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Landlord-Tenant Revolution Redux

New York's "Rad" Landlord-Tenant Law Revisions

By Shelby D. Green, Samuel R. Middleton, and Britney L. Frates

In June 2019, New York adopted the Housing Stability and Tenant Protection Act of 2019 (HSTPA), 2019 N.Y. Laws ch. 36, amending various sections of the existing substantive and procedural laws regulating landlord-tenant relations. Calling the HSTPA "rad" suggests two things: from the perspective of housing advocates and tenants, it is "awesome," but for property owners and investors, it is concernedly "radical."

Both meanings are apt because of the sweeping changes the HSTPA makes to the traditional landlord-tenant dynamic—from tenancy creation to perpetual rent controls to post-judgment relief, creating what might be described as a "statutory lease." Both sides of the dynamic might even describe the HSTPA as a revolution: the housing advocates and tenants, who see it as a much-needed adjustment in the balance of the fortunes of those needing accessible housing and those profit-seekers in the business of providing it; and the owners and investors, who believe it takes away well-established rights and expectations of ownership.

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This legislation marks the second revolution in landlord-tenant law, the first having started in the 1950s and culminating in a decided movement away from the classic paradigm in which all the rights resided in the landlords and all the burdens were placed on the tenant, to one more centered between the parties. Although this second revolution emerging in New York and a few other jurisdictions at first take seems promising, however, it may yet cause losses for tenants as a socioeconomic cohort.

From Property to Contract to Statute

The first revolution forced a large-scale abandonment of the common law. Those common-law rules were relatively simple and founded upon a logic suitable to the time. Under the classic landlord-tenant relationship, the landlord was obliged to give the tenant a clear right to possession at the commencement of the term but had no duty to deliver the premises in any particular physical condition or state of repair. The common law had little concern for the circumstances in which the tenant lived and worked. An express undertaking to repair had to be negotiated. The tenant's obligation to pay rent was grounded both in the property law concept that rent "issues from the land" as a tenurial duty from the estate and in the tenant's express covenant. But the contract doctrine of mutual dependence of covenants did not apply to leases—a breach of the landlord's covenant to repair did not excuse the tenant's duty to pay rent, nor did the tenant's failure to pay rent entitle landlord to retake possession. The parties would have to sue for performance (although the landlord had the right to seize and hold chattels on the land as security for rent), unless a statute or the lease itself gave them specific rights. The one exception was the implied covenant of quiet enjoyment, under which a tenant could cease paying rent if evicted by the landlord, either actually or constructively (if she vacated after a substantial interference with use and enjoyment).

The prevailing attitudes were grounded in freedom of contract and caveat emptor, both premised on the idea of equality of bargaining power between landlord and tenant and on the assumption that they would bargain for the amount of rent and for other terms, such as repairs and renewals. But this was a fiction. Lacking handyman skills, resources, or access to the property's infrastructure, the hapless urban tenant had no choice but to suffer the effects of peeling lead-based paint, infestation of vermin, and dysfunctional systems, alongside rising rent.

Beginning in the mid-1950s, changes in the relationship began slowly and gradually to take on the character of a movement. Professor Edward Rabin, in

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The Revolution in Residential Landlord-Tenant Law: Causes and Consequences, 69 Cornell L. Rev. 517, 519 (1984), described the changes as nothing short of a revolution, in which the "residential tenant, long the stepchild of the law, ha[d] now become its ward and darling. Tenants' rights . . . increased dramatically; landlords' rights . . . decreased dramatically." Like all revolutions, no one event or cause can be singled out; instead long-simmering grievances and discontent prompted adherents to act to disrupt aspects of the existing order.

Changes in the rhythms of life and the migration of economic pursuits away from the land toward an industrial society must have factored in, as well as the growing state of relative deprivation of segments of the population. Professor Mary Ann Glendon, in *The Transformation of American Landlord-Tenant Law*, 23 Boston Coll. L. Rev. 503, 504 (1982), saw changes not so much as a revolution but as a "culmination . . . of certain long-standing trends that [had] transformed not only landlord-tenant law, but private law generally over the past century"; noting a shift from private ordering to public regulation and a steady proliferation of legislation. Under either characterization of the movement, a series of court decisions, particularly in the seminal case of *Javins v. First National Realty Corp.*, 428 F. 2d 1071 (D.C. Cir. 1970), drew new lines that produced a reconceptualization of the relationship from a conveyance of land to a contract involving a package of goods and services. This new treatment in turn enabled courts to interpret leases to achieve the expectations of parties to a bilateral relationship. Rejecting the fiction of parity of bargaining power, the reconceptualization meant implied obligations on the part of the landlord, principally the duty to ensure the premises were habitable, and also that covenants were dependent, allowing tenants to terminate their leases or withhold rent if landlords failed to meet their obligations. Moreover, despite apparent agreement, courts could strike onerous terms, such as on renewals and uses, or avoid leases entirely on unconscionability grounds. See, e.g., N.Y. Real Prop. Law § 235-c; Kan. Stat. Ann. § 58-2544; *Lloyd v. Service Corp. of Alabama, Inc.*, 453 So. 2d 735 (Ala. 1984).

Soon, legislatures in most states codified the new rights and duties of landlord-tenant law either through enacting original statutes or by adopting the Uniform Residential Landlord Tenant Act (URLTA), 7B Uniform Laws Annotated 285, first promulgated in 1973. Some two dozen states went on to adopt the URLTA in whole or in part. A revised URLTA was recently adopted and expands upon the warranty of habitability and retaliatory eviction protections, among others. See generally Sheldon F. Kurtz & Alice M. Noble-Allgire, *What's New in the Revised Uniform Residential Landlord and Tenant Act?*, 30 Prop. & Prob. 18 (Nov.-Dec. 2016).

The codified landlord-tenant relationship is not just concerned with habitability issues but also offers a range of other protections consistent with modern concerns and notions of civility. For example, it specifies how landlords must dispose of a tenant's abandoned property, N.J. Stat. § 2A:18-72, and allows

tenants who are victims of domestic violence to terminate a tenancy early. See, e.g., Ky. Rev. Stat. § 383.300; Tex. Prop. Code 92.016; Ga. Code Ann. § 44-7-23. Last year, Washington, DC, adopted a provision prohibiting eviction when precipitation is falling at the location of the rental unit or the temperature is below 32 degrees Fahrenheit at the National Airport weather station. D.C. Stat. § 42-3505.01(k). Several states provide protections for tenants living in property that is being foreclosed on, and those that do not are guided by the Protecting Tenants at Foreclosure Act, which was permanently extended by the federal government in June 2018. 42 U.S.C. § 1437f(o)(7)(C) et seq.

Habitability notwithstanding, life as a renter was still no less precarious if dwellings were unaffordable. Shortages of affordable housing have proven to be not only an intractable social problem but also an economic one that defies ready solutions. Since the Great Depression, the federal and state governments have intervened to influence the market through supply-side measures—federal funding for public housing (National Housing Act of 1937, 42 U.S.C. § 1437), tax relief (Federal Low-Income Housing Tax Credits, 26 U.S.C. § 42), and property tax exemptions (N.Y. Real Prop. Tax Law § 421-a). Local governments have adopted inclusionary zoning ordinances for the construction of multi-unit dwellings and have required set-asides, as high as 30 percent, for affordable units as a condition for development permits.

On the demand side, in addition to the Section 8 choice voucher program that provides rent subsidies to enable low-income renters to find housing in the market, there is rent regulation. Rent regulations exist in cities in only five states (California, New York, New Jersey, Maryland, Oregon) and the District of Columbia. In March 2019, Oregon became the first state to adopt statewide rent control, limiting rent increases to seven percent in addition to inflation. Or. Stat. 90.323(3)(c). In mid-September 2019, California followed suit and passed the Tenant Protection Act of 2019, which mandates statewide rent control, capping rent increases at five percent after

inflation. Cal. Civ. Code § 1947.12(a). Massachusetts legislators are now rethinking that state's 1994 ban on rent control to allow cities and towns to impose rent control and a variety of other measures to protect renters from eviction and steep rises in their monthly payments. Tim Logan, *Rent Control, Long Shunned, Is Back on the Table in Massachusetts*, Boston Globe, March 25, 2019.

New York City's rent regulations date back to the 1920s, enacted to control sharp increases in evictions and a decrease in housing construction following World War I. "Rent control" applies to buildings constructed before 1947 and allow very minor annual rent increases. In the 1970s, "rent stabilization" laws were enacted and apply to apartments in buildings of six or more units constructed between 1947 and 1974. They allow greater annual rent increases than under rent control. At the height of the rent regulation regime in New York City, there were more than two million rent-controlled apartments. Sharon Otterman & Matthew Haag, *Rent Regulations in New York: How They'll Affect Tenants and Landlords*, N. Y. Times (June 2019). According to the most recent housing and vacancy survey, however, there were fewer than 22,000 units as of 2019. New York City Rent Guidelines Board, *2019 Housing Supply Report* 5 (May 2019). That is only one percent of the 2,183,064 occupied and vacant rentals. Another 56 percent of units are rent-regulated by either rent-stabilization or other programs (such as the 421-a tax exemption program). By some estimates, since 1994, through various mechanisms in the rent regulation laws, such as vacancy and luxury decontrol, condo-coop conversions and tenant improvement increases, owners have removed some 300,000 apartments from rent regulation. Will Parker and Konrad Putzier, *New York Landlords in a Financial Bind from New Rent Law: Curb on Market-Rate Conversions Pressures the Value of Rent-Stabilized Apartment*, Wall St. J. (June 24, 2019); Katie Holman, *New York City's Affordable Housing Units Dwindle Since 2005*, Wall St. J. (Sept. 25, 2018).

This reallocation from regulated to free market came at a time when the vacancy rate declined by 3.63 percent, translating to 79,190 vacant units out of approximately 2.2 million rental units. While the population was increasing—between 2005 and 2016, some 576,000 residents moved to the city—fewer than 77,000 new rental units were added. The efficacy of rent regulation and the determination of whether it is an effective tool for market correction remains a contested issue. For a recent analysis of the various forms and effects of rent regulation, see Vicki Been, Ingrid Gould Ellen, and Sophia House, *Laboratories of Regulation: Understanding the Diversity of Rent Regulation Laws*, NYU Furman Center (Mar. 18, 2019), https://bit.ly/2wvsN9P.

As suggested above, the HSTPA hints at a second revolution, whose penultimate aim or result may be a "statutory lease." This new lease prescribes the landlord-tenant relations in many respects, from amount of rent to notices and payments. Most of the terms are mandatory and non-waivable. Whether the new limits on charges for housing and new substantive and procedural protections for tenants will abate or exacerbate the housing problem is debatable.

Perpetual Tenancies at Fixed Housing Costs in Rent-Regulated Apartments

Under the HSTPA, tenants in rent-regulated property can reside in their apartments forever, with little or no rent increases over time. The act expands rent control and rent stabilization, which

originally applied only in New York City, and in 1974 extended to a few neighboring counties; now it can be adopted statewide. N.Y. Unconsol. Law § 8634. And, rent-control and rent-stabilization are permanent, no longer subject to sunset and legislative renewal requirements. Already tenants in rent-regulated units had the right to lease renewal (absent cause for eviction or non-renewal); and under the new regime, rents may not increase above the lesser of 7.5 percent or the average percent of the last five years for one-year leases. N.Y. Unconsol. Law § 26-405a(5).

No longer are units decontrolled (and eligible for a rent bonus) upon vacancy or based on the current rent of the unit or the income of the tenant. Previously, when the income of the tenant exceeded $200,000 for two years or the rent on the unit rose to above $2,774, the unit became decontrolled. N.Y. Admin. Code § 26-504.2, -504.3 (repealed by 2019 N.Y. Laws ch. 36, Part D). Now under the HSTPA, once rent-regulated, always rent-regulated.

Although landlords are obligated to provide heat as part of the warranty of habitability, they can no longer pass increased fuel costs on to tenants. Before, when a landlord made improvements to the unit or to the building, the full amount of those costs could be permanently passed on to the tenants over various periods of time; now those costs are capped at $15,000 in the aggregate for no more than three separate improvements over a 15-year period. N.Y. Unconsol. Law § 26-405g(1)(e). Only 1/168, in buildings of 35 or fewer units, and 1/180 (in buildings with more than 35 units) of the costs can be recouped per month from the tenant by rent increases. Id. These numbers were decreased from 1/40 and 1/60, respectively. Id. The new allowable increases add up to less than $90 a month, and they must end after 30 years.

Annual increases in rent to account for major capital improvements to the building are capped at 2 percent, down from 6 percent, and must end after 30 years. Id. § 26-405g(1)(g). They are not allowed at all for buildings with 35 or fewer regulated units. A landlord can recover from tenants only one unit for personal use for living or emergency purposes and only if she has an immediate or compelling necessity. Id. § 26-511c(9)(b). Recovery is not allowed if the current tenant is over the age of 62, disabled, or has been in the unit for over 15 years, unless an owner can provide equivalent or superior housing at the same or lower-stabilized rent in an area closely proximate to the unit sought to be recovered. Id.

Prescribed Terms and Limits for Free-Market Apartments

Leases will have to be rewritten to incorporate new rights for tenants and to eliminate existing rights afforded the landlord. Notice of a rent increase of 5 percent or of non-renewal must be given as much as 90 days in advance for those who have been tenants for two or more years. N.Y. Real Prop. Law § 226-c(1), (2), 232-a, 232(b). The obligation to pay rent is no longer self-executing. A landlord must request rent that has not been received within five days of the due date by certified mail, and the failure to do so is an affirmative defense in an eviction proceedings based on non-payment. Id. § 235-e(c). Leases may not provide for late fees of more than $50 or 5 percent of the rent, whichever is less. Id. § 238-a(2).

Records of rent payments by cash must be evidenced by receipts, and such records must be kept for at least three years. Id. § 235-e. Leases may not contain provisions for attorney's fees, as they are no longer recoverable by the landlord in summary proceedings on a default judgment. Id. § 234.

Landlords may only charge $20 or the actual cost of background and credit checks, whichever is less. Id. § 238-a(b). This fee limit is not waivable, and any agreement otherwise is void against public policy. By terms, it applies to cooperative boards in connection with the sale or lease of a cooperative apartment. A landlord may not deny occupancy to potential tenants based on tenant litigation data, or else face liability for a civil penalty of $500 to $1000. Id. § 227-f.

A landlord may not collect more than one month's rent as a security deposit, which may not be used as additional rent, attorney's fees, late fees, or other charges. N.Y. Gen. Oblig. Law § 1-708. The landlord must mitigate damages in the case of a tenant who abandons before the term is up. N.Y. Real Prop. Law § 227-e. A tenant may claim retaliation as an affirmative defense if she believes an eviction, or unreasonable increase in rent, is in response to complaints to the landlord. Id. § 223-b(1). The period for presumptive retaliatory animus is one year, up from six months, during which a landlord may not attempt to evict the tenant. Id. § 223-b(5).

Summary Proceedings Are More Cumbersome

Though the theory of the "summary" proceeding has been belied by its application in cities with long court dockets, the new hurdles to commencement and conclusion under the HSTPA make the theory an impossible proposition. Originally designed to give the landlord a speedy and efficient forum for the recovery of possession and to allow the tenant an opportunity to be heard before being dispossessed, the summary proceeding largely replaced the use of self-help in most jurisdictions (although some states continue to recognize this vestige of the common law, so long as the self-help is peaceable). Not only does the HSTPA abolish the troublesome common law remedy of self-help, but also it makes the use of it a class A misdemeanor. N.Y. Real. Prop. Law § 708.

Although the summary proceeding is the only forum for regaining possession, the HSTPA sets up significant hurdles to commencement and conclusion. First, in non-payment proceedings, an action may not be commenced until after the five-day grace period for payment has elapsed. The landlord then needs to send a certified letter demanding the rent with at least 14 days' notice. Id. § 711. It is only then that a notice of petition may be served on the tenant. Thereafter, the tenant has ten days to answer or move to dismiss. Id. § 732. If at any time before a hearing on the petition, the tenant tenders the full payment, the landlord must accept it, and the proceeding is dismissed. Id. § 731.

Second, there are expanded rights for occupants in possession after a tenant's

death; a warrant of eviction against the estate due to non-payment will not permit the landlord to evict occupants in possession. Instead, a separate holdover proceeding must be commenced. Id. § 711(2).

Third, the only remedy available in a summary proceeding is the recovery of possession and basic rent; a separate action must be brought to recover other charges and fees. For commercial landlords, use and occupancy charges during the pendency of the proceeding must be formally demanded. Only where a tenant seeks an adjournment (other than for purposes of obtaining counsel) for more than 60 days can a court award use and occupancy charges. Id. § 745. Even then, the order operates prospectively, such that the tenant is not liable for use and occupancy for the period prior to the order. And if the tenant fails or is unable to pay, defenses or counterclaims remain intact; the only penalty being an immediate trial, but the tenant's time to deposit may be extended for good cause. Id.

Relief after Judgment

Judgments from landlord-tenant courts can now be measured by a Yogi Berra-ism: "It ain't over 'til it's over." Under the HSTPA, judges have the discretion to stay the issuance of a warrant or the reletting of the premises for a period lasting up to a year; during that time the tenant is liable only for use and occupancy at the stated lease rent or the amount the court determines to be reasonable. Id. § 753(1). In exercising discretion, however, a court must consider substantial hardship on the landlord and may consider on the tenant's behalf: serious or ill health, whether a child is enrolled in a local school, or other circumstances affecting the ability to relocate and maintain the quality of life. Id. In non-payment cases, if the tenant tenders or deposits all the rent due any time before execution of the warrant of eviction, the warrant is vacated, unless the landlord establishes that the rent was withheld in bad faith. Id. § 749(3). For good cause, a court may stay or vacate a warrant, stay re-letting or renovation of premises for a reasonable time, and restore tenant to possession. In all cases, tenants must be given at least 14 days' notice for an eviction, up from 72 hours. Id. § 749(1).

> The new statutory and nonwaivable rights and obligations seem to evidence a decided shift in favor of tenants, so much so that landlords believe that the changes effect a taking of property.

Legal Challenges to the HSTPA

All these new statutory and nonwaivable rights and obligations seem to evidence a decided shift in favor of tenants, so much so that landlords believe that the changes effect a taking of property and otherwise violate principles of due process. That is the basic tenor of a lawsuit filed shortly after the enactment of the HSTPA. Complaint, *Community Housing Improvement Program v. City of New York,* No. 1:19-cv-04087 (E.D.N.Y. July 15, 2019). The plaintiffs claim that the law is arbitrary in that there is no "housing emergency" that justifies it and that it is not rationally related to the purported ends, as many tenants who will occupy the regulated units are not needy; that it effects a taking by physical invasion, inasmuch as tenants and successors are given perpetual possession; and that it amounts to a regulatory taking by imposing an onerous economic impact, defeating owner's distinct investment-backed expectations, as market rents can never be charged, with no countervailing benefits.

The odds are against a party seeking to prevail on a facial challenge, as the Supreme Court has consistently affirmed that governments have broad power to regulate the landlord-tenant relationship through rent regulation without paying compensation for all economic injuries that such regulation entails. *Pennell v. San Jose,* 485 U.S. 1, 12, n. 6 (1987); *FCC v. Florida Power Corp.,* 480 U. S. 245, 252 (1987) ("statutes regulating the economic relations of landlords and tenants are not *per se* takings"); *Bowles v. Willingham,* 321 U.S. 503, 513 n.9 (1944)) (one purpose of rent control is "to protect persons with relatively fixed and limited incomes, consumers, wage earners . . . from undue impairment of their standard of living"); *Block v. Hirsh,* 256 U.S. 135, 156 (1921) (approving rent control in Washington, D.C., on the basis of Congress's finding that housing in the city was "monopolized"). In the Court's assessment, the provisions of the ordinance in *Pennell,* which allowed an administrator to limit rent increases based on the hardship of the tenant, represented a rational attempt to accommodate the conflicting interests of protecting tenants from burdensome rent increases while ensuring that landlords are guaranteed a fair return on their investment. 485 U.S. at 14. The hardship provision also served the additional purpose of reducing the costs of dislocation that might otherwise result if landlords were to charge unaffordable rents to tenants. Particularly during a housing shortage, the social costs of the dislocation of low-income tenants can be severe. *Pennell,* 485 U.S. at 14, n.8.

Pennell's rationale seems preclusive to the landlord's challenge to the HSTPA, and the Second Circuit has already upheld rent-stabilization as applied in *Harmon v. Markus,* 412 Fed. App'x 420 (2d Cir. 2011). There, the court ruled that rent regulation did not constitute a physical invasion, even though a tenant's right to possess may be of indefinite duration, and that the laws otherwise did not violate any rights under the Contracts Clause, because they were in place when the owners acquired the property. The owners' due process and equal protection claims failed "as a matter of law," as the takings clause completely covered the claimed injury. Id. at 423. See also *San Francisco Apartment Ass'n v. City & County of San Francisco,* 881 F.3d 1169, 1180 (9th Cir. 2018) (rejecting facial challenge to "tenant buyout agreements" ordinance that prohibited landlords from speaking to tenants about a buyout until they were given a disclosure form and restricted, for a period of ten years after a buyout, the conversion of the unit into

condominiums where the tenant was a senior, disabled, or catastrophically ill, or the owner entered into a buyout with two or more tenants).

Circumventions, Work-Arounds, and Carve-Outs

Already, attorneys are devising measures to circumvent some of the limitations—such as requiring rent guarantees to bypass the limits on fees and on security deposits. Some are suggesting that because the limitation on application fees refers to landlords and does not specifically mention "managing agents," an argument might be made that managing agents may collect application or processing fees for their handling of sales and leases of cooperative apartments that exceed the $20 limit. This scheme may not be necessary as legislation has been proposed for a carve-out for cooperatives from these limitations.

Well-Meaning, but Unintended, Consequences

"'It's all over," said Lazer Sternhell, a real-estate investor and broker of rent-regulated properties in New York. Parker and Putzier, *supra*. This is how we size up the HSTPA in terms of gainers and losers and gaps and overreaches. On the tenant's side, there are largely gains. For those in or seeking rent-regulated housing, the limits on rent rises and caps on improvement increases will make housing more affordable. But the inability of landlords to recoup the costs of improvements will mean that rent-regulated buildings, all of which by definition are old—nearly half a century—will continue to decline in quality and lack modern amenities, although some have asserted that caps on recoupment were needed as it was not uncommon for a landlord to double the legal rent through these improvements. Still, there is a vast difference between a 100 percent increase under the old law and a 0.6 percent increase under the new. Because vacancy decontrol has been eliminated, there is no advantage to the landlord by evicting a tenant who may be using the unit as a pied à terre, rather than as the tenant's primary residence, and thus making it available to one who might need a unit with regulated rents. Landlords may be reluctant to check undesirable behavior of other tenants because of the costs and new complexity of the summary proceeding. For all tenants, the prohibition on the use of tenant litigation data will remove what was an insidious practice of blacklisting tenants, irrespective of whether the tenant sued the landlord and won, all the while having no opportunity to clear the record. See Paula A. Franzese, *A Place to Call Home: Tenant Blacklisting and the Denial of Opportunity*, 45 Fordham Urb. L.J. 661 (2018). Required notices, opportunities to cure defaults, and stays of eviction orders will prevent tenants from becoming homeless, if only temporarily.

On the landlord's side, there may be losses but not such as to signal the end of the world. Increased administrative costs (from giving notices and receipts), the need for greater reserves to tide landlords over during the extended summary possession proceedings, and the limits on late fees and attorney's fees may make the cost of providing housing too high for some. Capping rents and increases forever may cause a drop in the values of rent-stabilized buildings, between 20 to 45 percent, depending on their current rent rolls, according to some estimates. That would leave many properties worth less than their mortgages.

Bankers and speculators are not fretting; they are already lining up to buy cheap apartment buildings from desperate investors no longer able to pay off their loans. These new owners may either keep the buildings in service or convert them to other uses (although conversion to condominiums now will require a vote of 51 percent of the tenants). The howls about frustrated investment income may be exaggerated. A recent study shows that from 2002 to 2011, rents in rent-stabilized units in New York City rose by 49.4 percent, with the allowable rent increases on a one-year renewal reaching 4.5 percent. See N.Y.U. Furman Center, *Profile of Rent-Stabilized Units and Tenants in New York City* 5, Table E (2014), www.furmancenter.org. The upper point of the new limits, 7.5 percent, is much higher. Some owners may leave the housing market altogether and just bulldoze their buildings, although they may be liable to pay relocation costs for the tenants. For the large percentage of landlords who own just one building and operate on small profit margins, market exit may not be a feasible option.

Another effect of the HSTPA concerns the division of the world of tenants—between those who occupy rent-regulated units and those do not. Even though in many cases, the level of socio-economic vulnerability is the same, the protections under the law are different. A Furman Center study recounts that in 2011, nearly 60 percent of households in New York City were rent-burdened, that is, paying more than 30 percent of income on housing. *Rent Stabilization in New York City* 3, Table D, www.furmancenter.org. The fortuity of when the building went into service should not determine either the rights of tenants or the burdens on housing providers.

Conclusion

The HSTPA has ushered in a new era of landlord-tenant relations, with increased protections for tenants and heightened responsibilities and burdens upon landlords. It remains to be seen, however, whether these changes are in the best interests of tenants over the long term or if unintended consequences will ultimately disadvantage tenants as a class. Will the next phase of the revolution be instigated by property owners? What might it portend? ■