

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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In the Matter of the Application of  
JOSHUA LARKINS and LISA LARKINS,

Index No. 451238/25

Petitioners,

For a Judgment Pursuant to Articles 78 and 3001  
of the Civil Practice Law and Rules.

-against -

NEW YORK CITY HOUSING AUTHORITY,  
JAMIE RUBIN, in his official capacity as  
Chair of the New York City Housing Authority,

-and-

DIEGO BEEKMAN MUTUAL HOUSING ASSOCIATION HDFC,

Respondents.

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MEMORANDUM OF LAW IN SUPPORT  
OF SECOND MOTION FOR PRELIMINARY INJUNCTION

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**PRELIMINARY STATEMENT**

Petitioners seek a Temporary Restraining Order and Preliminary Injunction staying Respondent Diego Beekman from seeking to collect any rents increased pursuant to PHFL § 610 in any summary proceeding maintained against any of the **340 families** identified by Respondent as occupying apartments that are larger than their households, and have therefore been subject to unaffordable rent increases pursuant to PHFL § 610, pending a hearing on the merits of the Petition herein.

On April 7, 2025, Petitioners commenced this proceeding on behalf of a proposed class consisting of all households that receive NYCHA-administered Section 8 subsidies and whose rent shares increased as a result of NYCHA's approval of a renewal lease under PHFL § 610 (the "Class"). The Class included a proposed Subclass comprised of all tenants of Diego Beekman with whom Diego Beekman executed a lease in excess of the maximum permissible rent, due to a mistaken interpretation of PHFL § 610 (the "Subclass").

When commencing this proceeding, Petitioners Joshua and Lisa Larkins sought a Temporary Restraining Order and Preliminary Injunction for themselves only, staying Respondent Diego Beekman from proceeding against them in its nonpayment eviction proceeding pending under Index No. LT-001450-20/BX. On April 9, this court denied Petitioners' application for a TRO but set their Order to Show Cause for a hearing on May 7, 2025. On April 24, 2025, the nonpayment case against Petitioners was dismissed by the Bronx Housing Court, so Petitioners' motion for a Preliminary Injunction as to themselves became moot.

Petitioners, however, commenced this proceeding as a class action out of concern that the Diego Beekman project included over 900 tenants with NYCHA Section 8 vouchers, many of whose households, like the Larkins' household, may have decreased in size so that their voucher size would be smaller than their apartment size. Such families, under NYCHA's former policy, would be subject to drastic, unaffordable increases in their family rent shares. See, Petition, par. 46.

Although Petitioners believed that the number of affected tenants were sufficient to merit a class action, they were nonetheless horrified to learn, upon reading the Affirmation of Diego Beekman's spokesperson, Brian Leverone, that there are currently **THREE HUNDRED FORTY (340) tenants** who, like the Larkins, are "occupying apartments that are larger than their households." See, Leverone Affirmation, Dkt No. 25, par. 19. Such tenants, pursuant to NYCHA's former unlawful policy, would have had their rent shares set at unaffordable amounts far in excess of the 30% of their income they paid prior to the application of Section 610.

Upon information and belief, these 340 tenants represent **more than one-third** of all Section 8 voucher holders at Diego Beekman, and **more than one-quarter** of all Diego Beekman's tenants. Since rent shares that are based on apartment size rather than the size of the tenant's voucher are by definition unaffordable, a large number of these 340 tenants are extremely likely to be facing nonpayment proceedings in Bronx Housing Court. Although it is impossible to determine from housing court filings which nonpayment proceedings pertain to the 340 tenants mentioned by Mr. Leverone, NYSCEF indicates that Diego Beekman commenced 288 nonpayment proceedings against its tenants since January 2025, and additional tenants adversely affected by Section 610 increases could also have been sued in proceedings brought in 2023 or 2024. See Exhibit A to Petitioners' motion.

Thus, as many as one-third of NYCHA's Section 8 voucher holders at Diego Beekman may be currently facing eviction due to NYCHA's misinterpretation of PHFL 610 and its stubborn refusal to correct its errors regardless of the drastic consequences for the tenants NYCHA is supposed to keep housed. Petitioners accordingly bring this motion to prevent such evictions pending a determination of the merits of this case.

### **ARGUMENT**

#### **I. PETITIONERS HAVE A LIKELIHOOD OF SUCCESS ON THE MERITS OF THEIR CLAIM THAT THEIR RENT SHARES EXCEED THE AMOUNTS PERMITTED UNDER PHFL SECTION 610.**

To obtain a preliminary injunction under CPLR § 6301, the moving party must typically establish (i) a likelihood of success on the merits, (ii) irreparable injury absent the injunction, and (iii) a balancing of the equities in its favor. *Gliklad v. Cherney*, 97 A.D.3d 401 (1<sup>st</sup> Dep't 2012); *W.T. Grant Co. v. Srogi*, 52 N.Y.2d 496, 517 (1981); *McLaughlin, Piven, Vogel, Inc. v. W.J. Nolan & Co., Inc.*, 114 A.D.2d 165, 174 (2d Dep't 1986). Courts also consider whether the public interest favors issuance of a preliminary injunction. *Destiny USA Holdings, LLC v. Citigroup Glob. Markets Realty Corp.*, 69 A.D.3d 212 (4th Dep't 2009).

#### **A. NYCHA's Calculation Of Petitioners' Rent Violates Its Own Procedures And Policies**

In December 2024, Respondent NYCHA, together with HPD, the NYC Department of Social Services, the NYC Housing Development Corporation, and NYS Division of Homes and Community Renewal (DHCR), issued guidelines to make it abundantly clear that PHFL § 610

does not and should not affect the subsidized tenant's share of the rent.<sup>1</sup> See, <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/PHFL-section-610-consolidated-guidance-for-owners.pdf>.

The guidelines explicitly state that the tenant's share is not to be increased:

Section 610 of the PHFL is intended to help the most financially troubled, regulated affordable housing developments in the respective housing agencies' portfolios by allowing rental subsidy programs to pay reasonable rents above the legal regulated rent, *without affecting the tenant's portion of the rent* . . .

Nothing under PHFL § 610 permits the owner to request modification of contract rents that *increases the tenant's portion of rent*.

*Id.*, at p. 1.

The guidelines also state that:

The maximum possible rent increase is the subsidy payment standard. For units with tenant-based subsidy, the rent amount requested cannot exceed the lesser of the payment standard for (i) the unit size payment standard or (ii) household size payment standard, pursuant to the subsidy agency's payment calculation and subject to the subsidy provider's rent reasonableness requirements.

Nothing under PHFL § 610 permits the owner to request modification of contract rents that increases the tenant's portion of rent.

*Id.*, at p. 1 and 5.

The December guidance was issued as an interpretation of the governing statute and the rule therein is not framed as a new, prospective change in determining allowable rents under the statute. The guidance therefore establishes that NYCHA's approval of leases based on apartment size rather than voucher size violated PHFL § 610. Any of the 340 Diego Beekman tenants whose voucher size is smaller than their apartment size are therefore being charged more than

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<sup>1</sup> Although NYCHA now claims that it did not issue the Guidance (see Dkt No. 36, p.8), its name appears prominently at the top of the document, and detailed instructions regarding NYCHA's procedures appear on pp. 9-10 of the Guidance.

the statute permits, and may be subject to eviction based on amounts that they do not lawfully owe.

**B. NYCHA's Calculation Of Petitioners' Rent Was In Violation of Law.**

Even in the absence of the December 2024 guidance, the text and history of PHFL 610 shows that Petitioners have a likelihood of success on their claim that their rent shares have been miscalculated by NYCHA and should not have increased as a result of the statute. “[T]he starting point in any case of interpretation must always be the language itself, giving effect to the plain meaning thereof.” *Kuzmich v. 50 Murray St. Acquisition LLC*, 34 N.Y.3d 84, 91 (2019), citing *Majewski v. Broadalbin–Perth Cent. School Dist.*, 91 N.Y.2d 577, 583 (1998); see *Matter of Avella v. City of New York*, 29 N.Y.3d 425, 434 (2017).

Section 610 of the PHFL provides:

. . . [W]here a housing accommodation is subject to a regulatory agreement with a state or municipal agency or public benefit corporation, or a political subdivision of the state, and where a federal, state, or local program provides rental assistance for such housing accommodation, such state or municipal agency or public benefit corporation, or political subdivision of the state, may allow in such regulatory agreement the owner of such housing accommodation to charge and collect a rent for such housing accommodation **that (i) does not exceed the maximum payment standard or contract rent that the rental assistance program *may provide*** for such housing accommodation, but (ii) does exceed the legal regulated rent for the housing accommodation. [Emphasis added.]

Pursuant to HUD regulations, the maximum rent that the Section 8 program “may provide” is the *lesser* of either the standard for the number of bedrooms or the standard for the household size. See, 24 CFR § 982.505(c)(1). Respondent NYCHA, in Petitioners’ case, allowed the landlord to charge far more than what NYCHA was authorized to “provide” for Petitioners’ three-person household. In effect, NYCHA allowed the landlord to charge the

maximum that NYCHA might pay for some hypothetical, larger family that might occupy some other four-bedroom unit, rather than the amount it was permitted to provide for *Petitioners*.

The statute, moreover, states that if a tenant's rental subsidy ends, for any reason, the landlord can no longer charge the higher rent, and the tenant's obligation reverts to the previous rent stabilized amount. PHFL § 610(2)(3). The statute thus contemplates that the higher rent can be charged only when there is a subsidy in place to actually pay the increased amount. The structure of the statute is designed to prevent displacement of rent stabilized families, not to accelerate it.

Even if the court were to find the language of the statute to be ambiguous, the legislative intent was plainly to allow landlords to collect additional subsidy payments from the administering agency, not to demand increased payments from the tenants themselves. When a statute is unclear, vague or open to interpretation, the Court must look to the underlying purpose of the statute and the statute's legislative history. "The legislative intent is the great and controlling principle." *Meegan v. Brown*, 16 NY 3d 395, 403 (2011). Moreover, "'statutes which relate to the same subject matter must be construed together unless a contrary legislative intent is expressed.'" *People ex rel. McCurdy v. Warden, Westchester Cnty. Corr. Facility*, 164 A.D.3d 692, 695 (2d Dep't 2018), citing, *In re Enft of Tax Liens ex rel. Cnty. of Orange*, 75 A.D.3d 224 (2d Dep't 2010). "The courts must 'harmonize the various provisions of related statutes and ... construe them in a way that renders them internally compatible.'" *Cnty. of Orange*, 75 A.D.3d at 234.

PHFL § 610 applies only to rent stabilized apartments in buildings subject to City or State regulatory agreements that are occupied by tenants with rental subsidies such as Section 8, FHEPS, or CityFHEPS. The goal of the legislature was to utilize subsidy program funds to

increase the income stream of such affordable housing projects without increasing the rent burden on tenants which could displace them from their rent stabilized apartments.

The legislature must be assumed to have been familiar with the provisions of the Rent Stabilization Law, which it had extensively amended only three years earlier. Under Rent Stabilization, rents are not set according to family income or composition, and tenants are entitled to receive renewal leases regardless of changes in the number of occupants. Under NYCHA's policy at the time it adjusted Petitioners' rent share, however, families that decreased in size as children grew up and moved would be displaced from their long-term homes, in violation of the purposes of the RSL.

The legislative history of Section 610 makes clear that the Legislature intended no such result, and contemplated that any increases under the statute would be paid by the applicable subsidy program, not by the tenant family. The sponsor's summary explained that the bill would "allow the owner to collect rent up to the maximum payment standard or contract rent that the program *may provide*." [emphasis added] Governor's Bill Jacket at 5, *Introducer's Memorandum in Support*, 2022 S.B. 7235, Ch. 685 [emphasis added].

The sponsor offered the following example as justification for the new law:

Supportive Housing helps formerly homeless New Yorkers, people with disabilities, and other people in need by providing critical services to support the transition to permanent stable housing. . . . [R]ental assistance for units covered by a NYC 15/15 contract increases by 2% annually, while tenants pay no more than 30% of their income. . . . NYC 15/15 units are also rent stabilized however, and under current law, the initial contract rent becomes a preferential rent that may only be increased by Rent Guidelines Board (RGB) adjustments . . . [which] . . . are not keeping pace with the 2% annual increases anticipated by the NYC 15/15 program structure, creating shortfalls in the anticipated funding for these buildings. Over time, these shortfalls will diminish the program's ability to subsidize services . . . as well as necessary maintenance and repairs, and may also put financial strain on already cash-strapped non-profits serving tenants in need of affordable and supportive housing.

This bill will address the need to *maximize the benefits of rental assistance* while the subsidies are available, *without diminishing the long-term affordability of the housing* under rent stabilization.

Governor's Bill Jacket at 6, *Introducer's Memorandum in Support*, 2022 S.B. 7235, Ch.

685 [emphasis added].

Prior to approval by the Governor, the bill was referred to various agencies that would be affected if the bill passed. The Division of the Budget presented arguments for and against the bill. In favor of the bill, the Division stated that "this would allow landlords to receive additional income *from Federal, State, and local rental assistance programs.*" In opposition, they state that "having the government pay more to these landlords from rental assistance programs reduces the number of individuals and families in need that could be served by these programs." Governor's bill jacket at 9-10. Both comments clearly indicate that the Budget Office believed that the additional rent would be paid by the agency and not the tenants.

The Office of Temporary and Disability Assistance (OTDA) which administers the Family Homelessness and Eviction Preventions Supplement (FHEPS) and the Family Rent Supplement Program (RSP), also commented. OTDA's counsel noted that the agency could cover the extra costs because those programs already

allow for rental amounts up to the fair market rents in New York City as determined by the United States Department of Housing and Urban Development, and projected program costs have been calculated to account for this maximum rent, regardless of whether the rental property is subject to a rent regulation agreement ... All other rental assistance programs administered by OTDA are limited by a maximum supplement amount, which should not be affected by this bill.

Governor's bill jacket at 13. Thus, OTDA's understanding is that the funds for the programs are already budgeted as if the agency had to pay market rate rents, not the lower rent regulated rents, so that the state already had the funds to cover the additional

rents. The implication here again is that the agency, not the tenant, would be responsible for the increase.

Similar understanding of the law is expressed by the Division of Homes and Community Renewal (HCR), the New York State Association for Affordable Housing (NYSFAH) and the City of New York Mayor's office. HCR stated that it had no objection to the bill as it permits "subsidized housing projects to receive *the full value of the subsidy.*" (emphasis added) Governor's bill jacket at 15. NYSFAH supported the bill on the grounds that it allows the landlord to collect the "full value of the voucher." *Id.*, at 12. Mayor Eric Adams announced his approval and support because it "would allow public agencies that subsidize affordable housing projects ... to provide rental assistance to cover rents that are higher ...." [emphasis added]. *Id.*, at 17.

As explained in Point I(A), *supra*, Petitioners' interpretation of PHFL § 610 has been confirmed by Respondent NYCHA itself in its December 2024 Guidance, issued together with HPD and DHCR. Although Respondent NYCHA attempts to argue that its prior interpretation of the statute was rational (see, Docket No. 36, Point I), PHFL § 610 cannot mean two opposite things. Having taken a definitive position by co-authoring or at least adopting the December guidance, NYCHA cannot argue that the statute meant something different in November than it did in December. Accordingly, Petitioners have a strong likelihood of success on the merits of their claim that PHFL § 610 precludes an increase in tenant rent shares, including for the 340 Diego Beekman families whose apartment size exceeds their voucher size.

**II. PETITIONERS HAVE A LIKELIHOOD OF SUCCESS ON THEIR CLAIM THAT RESPONDENT NYCHA’S POLICY AND PRACTICE OF APPROVING SECTION 610 RENTS ABOVE THE PAYMENT STANDARD FOR TENANTS’ HOUSEHOLD SIZE VIOLATED FEDERAL LAW.**

HUD regulations prohibit NYCHA from approving rents that are not “reasonable” in comparison to “comparable unassisted units.” 24 CFR § 982.507. HUD’s Section 8 Voucher Guidebook clarifies that “in regulated localities, rents are limited to the lesser of the PHA-determined reasonable rent or the rent controlled amount unless units leased under the voucher program are exempt from local rent control under the local rent control ordinance.” Section 8 Voucher Guidebook, Section 2.4.1, available at [https://www.hud.gov/sites/dfiles/PIH/documents/HCV\\_Guidebook\\_Rent%20Reasonableness\\_updated\\_Sept%202020.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Rent%20Reasonableness_updated_Sept%202020.pdf), last visited March 13, 2025. See also, NYCHA Leased Housing Directive LHD 09-7 (“If the regulated rent (“registered rent” for rent stabilization) for new applicant or transfer rentals is less than the GOSection8 reasonable rent, the regulated rent shall be the contract rent.”)

However, contrary to federal law, following the enactment of PHFL § 610, NYCHA, as a pattern and practice, approved rents for rent stabilized voucher holders that exceeded the lawful rent regulated amount, but did not fall within the exception provided by the PHFL. Under federal law, such rents are not considered reasonable, and its practice of approving such rents was therefore unlawful. Statutes and regulations establishing rental amounts for Section 8 and public housing tenants are enforceable under 42 USC § 1983. *Wright v. Roanoke Redevelopment & Housing Authority*, 479 U.S. 418, 429 (1987); *DeCambre v. Brookline Hous. Auth.*, 826 F.3d 1 (1st Cir. 2016); *Johnson v. Hous. Auth. of Jefferson Parish*, 442 F.3d 356 (5th Cir. 2006). Accordingly, Petitioners have a likelihood of success on their claim that NYCHA’s calculation of rent, based on their erroneous interpretation of Section 610, also violated federal law.

**III. PETITIONERS HAVE A LIKELIHOOD OF SUCCESS ON THEIR CLAIM THAT RESPONDENT DIEGO BEEKMAN'S ACTIONS VIOLATED THE RENT STABILIZATION LAW AND PHFL § 610.**

Respondent Diego Beekman is precluded from charging its tenants more than the “legal regulated rent” permitted under the RSL, unless another statute provides an exception. Section 2525.1 of the Rent Stabilization Law provides that “it shall be unlawful, regardless of any contract, lease or other obligation heretofore or hereafter entered into, for any person to demand or receive any rent for any housing accommodation in excess of the legal regulated rent.” Section 610 of the PHFL provides a narrow exception to this rule. It states that if a rent stabilized landlord is subject to a regulatory agreement that so permits, it may charge a rent “that (i) does not exceed the maximum payment standard or contract rent that the rental assistance program may provide for such housing accommodation, but (ii) does exceed the legal regulated rent for the housing accommodation.” As explained above, and in NYCHA’s December 2024 guidance, the phrase “maximum payment standard” in the statute means the maximum payment standard actually available to the occupant family, not the maximum available to a hypothetical larger family that might occupy an apartment of that size. By inducing Petitioners to sign a lease with a rent in excess of that permitted by Section 610, Respondent Diego Beekman failed to meet the requirements for the statutory exception to the RSL, and, in the absence of any lawful exception, its demand for \$3789 violated the Rent Stabilization Law and Code.

Petitioners are therefore likely to succeed on their claim that any of Respondent Diego Beekman’s leaseS that establish a rent based on the tenant’s apartment size, rather than their voucher size, violates the RSL.

**IV. MEMBERS OF THE PROPOSED DIEGO BEEKMAN SUBCLASS WILL BE IRREPARABLY HARMED IN THE ABSENCE OF AN INJUNCTION.**

Courts recognize that the threat of eviction constitutes irreparable harm sufficient to obtain injunctive relief. *See McNeill v. New York City Housing Authority*, 719 F. Supp. 233, 254 (S.D.N.Y. 1989); *Mitchell v. United States Dep't of Housing & Urban Development*, 569 F. Supp. 701, 704 (N.D.Cal.1983); *Owens v. Housing Authority of Stamford*, 394 F. Supp. 1267, 1271 (D.Conn.1975). The harms resulting from eviction are legion. *See e.g., Jiggetts v. Dowling*, N.Y.L.J., April 22, 1997, at 26, col. 2 (Sup. Ct. N.Y. Co.) (inadequate shelter allowance for high rents); *McCain v. Koch*, 117 A.D.2d 198, 211 (1st Dep't 1986) (alternative housing unsafe or unsanitary), *rev'd on other grounds*, 70 N.Y.2d 109 (1987); *Gresham v. Windrush Partners, Ltd.*, 730 F.2d 1417, 1424 (11th Cir. 1984) (disruption of friendships and other community ties), *cert. denied*, 469 U.S. 882 (1984). As the court held in *Brown v. Artery Organization, Inc.*, 654 F. Supp. 1106, 1118 (D.D.C. 1987), “[i]t is axiomatic that wrongful eviction constitutes irreparable injury.”

Here, Respondent Diego Beekman has stated on the record that that there are currently three hundred forty (340) tenants who, like the Larkins, are “occupying apartments that are larger than their households.” *See, Leverone Affirmation*, Dkt No. 25, par. 19. Such tenants, pursuant to NYCHA’s former unlawful policy, would have had their rent shares set at unaffordable amounts far in excess of the 30% of their income they paid prior to the application of Section 610, since until December 2024, NYCHA set the lease rent based on apartment size, not based on voucher size, and left these low income families to pay the large differential out of their own pockets.

These 340 tenants represent **more than one-third** of all Section 8 voucher holders at Diego Beekman, and **more than one-quarter** of all Diego Beekman's tenants. Since rent shares that are based on apartment size rather than the size of the tenant's voucher are by definition unaffordable, a large number of these 340 tenants are extremely likely to be facing nonpayment proceedings in Bronx Housing Court. Although it is impossible to determine from housing court filings which nonpayment proceedings pertain to the 340 tenants mentioned by Mr. Leverone, NYSCEF indicates that Diego Beekman commenced 288 nonpayment proceedings against its tenants since January 2025, and additional tenants adversely affected by Section 610 increases could also have been sued in proceedings brought in 2023 or 2024.

Accordingly, Petitioners have shown that members of the proposed Subclass of Diego Beekman tenants whose rents were improperly increased pursuant to NYCHA's misapplication of Section 610 are facing irreparable injury if an injunction is not granted.

**V. The Balance of the Equities Favors Petitioners.**

The balance of the equities overwhelmingly favors Petitioners. In the absence of an injunction, as many as one-quarter of Diego Beekman's tenants face the likelihood of eviction from their long-term rent stabilized homes. In contrast, Respondent Diego Beekman continues to receive a monthly subsidy from NYCHA based upon Petitioners' household size, which is the maximum subsidy it is legally entitled to receive. Diego Beekman, a 1200-unit apartment complex, will not suffer unduly if it is stayed from collecting the amount of any rent increases that resulted from misapplication of Section 610 to the affected families.

## VI. The Public Interest Favors Issuance Of A Preliminary Injunction.

“In ruling on a motion for a preliminary injunction, the courts must weigh the interests of the general public as well as the interests of the parties to the litigation.” *Destiny USA Holdings, LLC v. Citigroup Glob. Markets Realty Corp.*, 69 A.D.3d 212 (4<sup>th</sup> Dep’t 2009), *citing*, *De Pina v. Educational Testing Serv.*, 31 A.D.2d 744, 745 (2<sup>nd</sup> Dep’t 1969). *See also*, *Seitzman v. Hudson Riv. Assoc.*, 126 A.D.2d 211, 214–215 (1<sup>st</sup> Dep’t 1987). Here, issuance of an injunction serves the public interest. The intent of both PHFL § 610 and the Rent Stabilization Law is to preserve affordable housing and prevent the displacement of vulnerable families. Preventing the eviction of potentially hundreds of low income Diego Beekman tenants pending the determination of their lawful rent share clearly serves this important public interest.

### CONCLUSION

Petitioners are likely to succeed on their claims that members of the proposed Diego Beekman subclass are being unlawfully charged rent in excess of that permitted under PHFL 610 and the Rent Stabilization Law, and face irreparable harm if an injunction is not granted. This court should therefore issue a Preliminary Injunction staying Respondent Diego Beekman from seeking to collect any rents increased in violation of PHFL § 610 in any summary proceeding maintained against any of the 340 families identified by Respondent as occupying apartments that are larger than their households.

Dated: June 27, 2025  
New York, NY

Respectfully submitted,

*Edward Josephson*

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