Alston v Starrett City, Inc.
2016 NY Slip Op 31283(U)
June 30, 2016
Supreme Court, New York County
Docket Number: 452674/2015
Judge: Shlomo S. Hagler
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[* 1]

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: IAS PART 17

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REGINA ALSTON, SANDRA VAUGHN-COOKE
and FAIR HOUSING JUSTICE CENTER,

Plaintiffs,

Index No.
452674/2015

-against-

STARRETT CITY, INC. and GRENADIER
REALTY CORP.,

DECISION/ORDER

Defendants.

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HON. SHLOMO S. HAGLER, J.S.C.:

In motion sequence number 001, plaintiffs move by order to show cause for a preliminary injunction and temporary restraining order as follows: (1) ordering defendants Starrett City, Inc. ("Starrett City") and Grenadier Realty Corp. ("Grenadier Realty") "to process and respond to Plaintiff Sandra Vaughn-Cooke's application for an apartment... notwithstanding the basis of her source of income, including her intention to use a New York City government housing subsidy to pay for the apartment"; and (2) ordering defendants to keep available at least one suitable apartment pending the approval of her application.

In motion sequence number 002, Starrett City and Grenadier Realty move, pursuant to CPLR 3211 (a) (7), to dismiss this complaint.

Both motion sequence numbers 001 and 002 are consolidated herein for disposition.

Background

This action involves the Living in Communities ("LINC") housing subsidy program developed by the City of New York in 2014 to assist individuals and families living in shelters who are unable to afford permanent housing. The individual plaintiffs, Regina Alston ("Alston") and Sandra Vaughn-Cooke ("Vaughn-Cooke") participated in the LINC I and LINC IV programs, respectively.

The LINC I program is designed to assist families in shelters who have at least one adult working full time, but nonetheless cannot afford stable housing. The LINC IV program is for single adults or adult couples who are either senior citizens (over the age of 60), or who have disabilities, and are unable to afford stable housing. Under both programs, the recipients must pay up to 30% of their income toward their rent, and the remainder will be paid, by means of the housing subsidy, directly to the landlord.

Starrett City, which is now known as Spring Creek Towers, is an apartment complex located in Brooklyn composed of 46 apartment towers with a total of 5,881 apartments. Starrett City, which was built in the 1970's, was originally intended to be a cooperative development, but ultimately became a rental complex relying on a variety of government subsidies, including a form of rental assistance provided by the U.S. Department of Housing and Urban Development ("HUD") known as section 8 vouchers.

Defendant Grenadier Realty provides real estate management services to Spring Creek Towers.

Plaintiffs Alston and Vaughn-Cooke sought to rent apartments in Spring Creek Towers using rent subsidies through the LINC programs. Alston alleges that, on or about February 1, 2015, she called Spring Creek Towers to inquire about a two-bedroom apartment that she saw advertised on the Spring Creek Towers' website. At the time, Alston's household was comprised of herself, her domestic partner, and two children, all of whom were residing in an emergency shelter operated by a contractor of the New York City Department of Homeless Services. Alston further alleges that when she mentioned that she would be relying on the LINC program for her rent, she was told by a Spring Creek Towers representative that the complex does not accept LINC vouchers. Alston remained in the emergency shelter until she was offered an apartment in public housing, to which she and her family moved, but she alleges that she would have preferred to live in Spring Creek Towers.

Vaughn-Cooke is a senior citizen living in a homeless shelter in Brooklyn. In July 2015, Vaughn-Cooke, who is an actor, sought employment as a housing tester with plaintiff Fair Housing Justice Center ("FHJC"). FHJC is a non-profit organization, based in Manhattan, dedicated to ensuring that all people have equal access to housing.

FHJC alleges that among its activities it:

> "(a) provides information to the public and other nonprofit organizations about fair housing laws; (b) provides intake counseling to individuals and organizations with allegations of housing discrimination; (c) conducts testing and other investigations of allegations of housing discrimination; (d) makes legal referrals to cooperating attorneys; (e) assists with the preparation and filing of administrative housing discrimination complaints; and (f) provides post-referral litigation support services."

Verified Complaint, ¶ 45.

FHJC alleges that, in March 2015, it first contacted Spring Creek Towers, through a tester, to inquire about the availability of two-bedroom units in the complex. After that contact, several other contacts were made to the complex through testers. The testers were informed that they would have to fill out applications which would be mailed to them. Those testers who inquired about whether LINC subsidies would be accepted were told that they would not be accepted.

Vaughn-Cooke alleges that FHJC told her about potentially affordable apartments in various locations including Spring Creek Towers. She further alleges that, on or about July 24, 2015, she called Spring Creek Towers, not in her capacity as a tester, but rather on her own behalf, to inquire about an allegedly available one-bedroom apartment in the complex. Vaughn-Cooke asked whether Spring Creek Towers would accept LINC vouchers and was told that they would not accept them. She states that she has contacted

dozens of other landlords and management companies about applications and vacancies and was told by them that they would not accept LINC vouchers.

Vaughn-Cooke received an application for an apartment from Spring Creek Towers which she filled out and submitted to the complex. At the time that the complaint and motion for a preliminary injunction were filed, Vaughn-Cooke's application had not been processed.

It is undisputed by defendants that Spring Creek Towers refuses to accept subsidies provided through the LINC program. Plaintiffs contend that such refusal constitutes a violation of section 8-107 (5) (a) (1) of the Administrative Code of the City of New York ("Administrative Code") which makes it unlawful for an owner, lessor, or managing agent, among others, to refuse to rent or lease a housing accommodation "because of any lawful source of income" of the person seeking the housing accommodation. The anti-discrimination provision defines the term "lawful source of income" as including "income derived from social security, or any form of federal, state or local public assistance or housing assistance including section 8 vouchers." Administrative Code § 8-102 (25). According to plaintiffs, this provision unambiguously covers LINC vouchers.

Motion to Dismiss

In deciding a motion brought pursuant to CPLR § 3211(a)(7) for failure to state a cause of action, the complaint should be liberally construed and the facts alleged in the complaint and any submissions in opposition to the dismissal motion accepted as true, according plaintiff the benefit of every possible favorable inference. *511 West 232nd Owners Corp. v Jennifer Realty Co.*, 98 NY2d 144, 152 (2002)[internal citations omitted]. "The motion must be denied if from the pleadings' four corners 'factual allegations are discerned which taken together manifest any cause of action cognizable at law.' " Id. In opposition to such a motion, a plaintiff may submit affidavits "to remedy defects in the complaint" and "preserve inartfully pleaded, but potentially meritorious claims." *Rovello v Orofino Realty Co.*, 40 NY2d 633, 635, 636 (1976).

Discussion

This Court will first address defendants' motion to dismiss the complaint as a matter of law (motion sequence number 002).

Defendants argue that LINC subsidies do not constitute "income derived from social security, or any form of federal, state or local public assistance" because the money is not received by the tenant, but rather, is paid directly to the landlord, and, therefore, is not income to the tenant. They then argue that the phrase "housing assistance including section 8

vouchers," is limited to section 8 vouchers, and therefore, the LINC program is not covered by the "source of income" provision. According to defendants, because section 8 vouchers are the only type of housing assistance mentioned in the legislation, the City Council intended that those vouchers would be the only type of housing assistance covered by the law, and other programs, such as the LINC program, were not intended to be included.

Finally, defendants contend that because the City Council failed to place a comma between the words "housing assistance" and "including," the phrase "including section 8 vouchers" functions as a restrictive clause, qualifying and limiting "housing assistance." At the very least, according to defendants, the absence of the comma renders the meaning of the provision ambiguous, and given the legislative history of the provision, this Court should not adopt the expansive interpretation of the statute urged by plaintiffs.

Statutory Construction

When construing a statute, courts must first look to the language of the statute. If the language is clear and unambiguous, courts must follow the plain meaning of the statute. If, however, the language is ambiguous, courts must resort to examination of the underlying legislative intent and purpose of the statute. *Roberts v Tishman Speyer Properties*, L.P., 13 NY3d 270, 286 (2009).

Punctuation/Absence of Comma

Under New York's principles of statutory construction, "[i]n the interpretation of statutes, such construction is given the language as will best effectuate the legislative intent, without reference to the accurate grammatical construction of words, phrases, and sentences." McKinney's Statutes § 251. Therefore, while punctuation is part of a statute, "it is subordinate to the text, and is never allowed to control the plain meaning of the act." McKinney's Statutes § 253. These principles surely apply to the absence as well as the presence of punctuation.

In their supplemental letter memorandum submitted to the court on January 21, 2016 after oral argument, defendants cite two New York cases in which the interpretation of a statute was impacted by the punctuation used by the legislature. *See Gray v Evans & Sons,* 217 App Div 333 (3d Dep't 1926); *Rivera v Rivera,* 5 Misc 2d 362 (Childrens Court, Westchester County 1957). In both cases, the court concluded that the presence of a comma indicated that the legislature intended to create separate categories. *See also Matter of Albany Law School v New York State Off. of Mental Retardation & Dev. Disabilities,* 81 AD3d 145, 150-151 (3d Dep't 2011), *aff'd as mod* 19 NY3d 106 (2012)(where the presence of a comma aided the court's interpretation of the legislative intent). These cases turned on the impact of the presence, not the absence of a comma.

Statute is Unambiguous

In this case, the language and a fair reading of the subject statute should be interpreted liberally to include all forms of housing assistance, not only section 8 vouchers, without resort to legislative intent.

Legislative Intent Requires Liberal Construction

Assuming *arguendo* that there exists some ambiguity in the language of subject statute, this Court shall address this argument. Here, of course, there is a paucity of commas. Defendants maintain, in part, that the true meaning of the subject statute would have been somewhat clearer, had a comma been placed between the words "housing assistance" and "including." However, as the Court of Claims has stated, with respect to a statute governing the Motor Vehicle Liability Insurance Fund, "[t]he section's grammar and punctuation could have been more precise, but the court is aware of the adage that legislators are not presumed to be good grammarians and realizes punctuation must not interfere with a reasonable statutory construction." *Travelers Indem. Co. v State of New York*, 57 Misc 2d 565, 571 (Ct Cl 1968), *aff'd* 33 AD2d 127 (3d Dep't 1969), *aff'd* 28 NY2d 561 (1971) (citations omitted). The reasonable meaning of the "source of income" provision and the significance of the word "including," and whether the word was meant to expand or restrict the reach of the provision, can readily be determined

regardless of the presence or absence of a comma, by considering the intent of the law.

In the case of *Red Hook Cold Stor. Co. v Department of Labor of State of N.Y.* (295 NY 1, 8 [1945]) the Court of Appeals considered the meaning of the word "including," stating that "'[i]ncluding' may be used to bring into a definition something that would not be there unless specified, or it may be used to show the meaning of the defined word by listing some of the things meant to be referred to, but not by such listing excluding others of the same kind." Since the statute at issue in *Red Hook Cold Storage Co.* was intended to protect workers, the Court of Appeals concluded that the legislature intended to broaden, not limit, its protective reach. Similarly, the "source of income" provision is intended to protect tenants from being discriminated against because of the source of funds used by them to pay their rent.

Moreover, this very section 8-102(25) of the Administrative Code has been applied to housing subsidies other than section 8. In *Short v Manhattan Apts., Inc.* (916 F Supp 2d 375 [SD NY 2012]), the federal court held that the "source of income" provision was violated when real estate brokers refused to rent apartments to a prospective tenant who sought to pay his rent with a rental assistance subsidy from the New York City HIV/AIDS Services Administration ("HASA"). The court explicitly

acknowledged that NYCHRL's source-of-income provision should be "construed 'liberally for the accomplishment of [its] uniquely broad and remedial purposes,' N.Y. City Admin. Code 8-130, [as it] clearly favors Plaintiffs' interpretation" that the defendants' failure to accept HASA rental assistance benefits violated section 8-107 (5) (a) (1) of the Administrative Code.

As the Court of Appeals noted in modifying the Appellate Division's decision in *Matter of Albany Law Sch.*, in determining legislative intent, the court

> "should inquire into the spirit and purpose of the legislation, which requires examination of the statutory context of the provision as well as its legislative history. ... Finally, it is well settled that a statute must be construed as a whole and that its various sections must be considered with reference to one another."

Matter of Albany Law Sch., 19 NY3d at 120 (internal quotation marks and citations omitted). As stated above, the New York City Council has declared that provisions of the Human Rights Law, of which the "source of income" provision is a part, is to be "construed 'liberally for the accomplishment of [its] uniquely broad and remedial purposes.'" *Short v Manhattan Apts., Inc.*, 916 F Supp 2d at 398, quoting Administrative Code § 8-130.

As this Court noted during oral argument, the definition of "lawful source of income" in the Human Rights Law, in addition to social security, includes "any form of federal, state or local public assistance or housing assistance including section 8

vouchers." Administrative Code § 8-102 (25). Had the City Council intended to limit the type of housing assistance covered by the anti-discrimination provision, it could easily have eliminated the words "housing assistance including" and defined lawful source of income as: "income derived from social security, or any form of federal, state or local public assistance or section 8 vouchers." Moreover, the drafters could have placed a comma after the words "public assistance," thereby at least suggesting that the words "federal, state and local" only applied to "public assistance." The drafters, however, did neither. In fact, using defendants' own logic, given that the only comma in the definition of "lawful source of income" follows the words "social security," one could assume that the City Council intended the words "any form of" to modify all the words that follow - i.e. "any form of *federal, state or local public assistance or housing assistance* including section 8 vouchers (emphasis supplied)," thereby indicating that state and local housing assistance was also included.

Remedial Purpose of Statute is to Benefit Tenants

It cannot be over-emphasized that, particularly given the remedial purposes of the law, this Court concludes that the most reasonable interpretation of this language is that it covers any form of public assistance or housing assistance provided by the federal, state, or local government, and does not limit the type

of housing assistance to a single program offered by the federal government, the section 8 program.

Defendants contend that the repeated references in the legislative history of the anti-discrimination provision to section 8 vouchers, the operation of the section 8 program, and the difficulties of section 8 recipients in obtaining housing suggests that the City Council intended that section 8 vouchers would be the only housing assistance covered by the law. *See Exhibit "I" to the Affirmation of Lindsay F. Ditlow, Esq, dated October 13, 2015 ("Ditlow Aff."),* Report of the Committee on General Welfare, New York City Local Law Report No. 10 Int. 61-A (2008).

Defendants further contend that the LINC program was intended by the City to be a voluntary program and, thus, acceptance of LINC vouchers could not be mandated by the Administrative Code.

The fact that most of the report of the Committee on General Welfare mentions section 8 is not surprising given that, as the report indicates, as of December 31, 2007, 85,313 households in New York City, surely a dramatically large number of households, leased units through the section 8 program. *See Id.*, Local Law Report No 10 Int. 61-A (2008). However, defendants' argument that the LINC program was intended to be a voluntary program and, therefore, not included in the "lawful source of income"

provision is undermined by that same report, since it suggests that the section 8 program itself is a voluntary program. *See id.*, references to testimony of Cliff Mulqueen from the Human Rights Commission describing section 8 program as a voluntary program; *see also Tapia v Successful Mgt. Corp.*, 79 AD3d 422, 424 (1st Dept 2010)(section 8 program is voluntary in nature).

Legislative Intent is to Include All Forms of Assistance

Significantly, the report of the Committee on General Welfare acknowledges the scope and the breadth of the statute not only encompasses Section 8 recipients, but specifically includes "other forms of public assistance" to "seek redress from housing discrimination." *Id.*, at 5. In fact, former City Councilman [and now Mayor] Bill DeBlasio, then Chairperson of the General Welfare Committee clearly stated that purpose of the proposed legislation was to "stop any discrimination whatsoever against Section 8 holders and holders of other types of government income." December 12, 2007 Transcript of Minutes of the Committee on General Welfare, p. 5, l. 6-8. The former Speaker Christine Quinn similarly stated that "This bill very simply says that if you are using Section 8 or some other rental assistance program to help you pay your rent, if you have the ability to pay your rent, a landlord cannot turn you away simply because they do not like the way you are paying your rent." March 26, 2008 Transcript of the Minutes of the Stated Council Meeting, p. 39,

l. 18-23.

LINC Program Doesn't Violate Urstadt Law

Defendants also argue that the Urstadt Law (McKinney's Uncons Laws of NY § 8605), preempts the inclusion of the LINC program in the "source of income" provision of the Human Rights law. Quoting the statement in *Tapia* (79 AD3d at 425), that the Urstadt Law "was intended to prohibit attempts, whether by local law or regulation, to expand the set of buildings subject to rent control or stabilization," defendants argue that the LINC program does just that. According to defendants, because the LINC program requires that participating landlords sign a second one-year lease with a LINC tenant at the same rent as the initial lease, and further requires that rent increases under a third, fourth and fifth one-year lease would be limited to a percentage no greater than that permitted for a rent-stabilized apartment,[1] the program would violate the Urstadt Law.

The rent-control and rent-stabilization programs are,

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[1] Under the LINC I, II, and III rider to an apartment lease, the tenant is entitled to a renewal of the original lease for a second year at the same monthly rent agreed to in the original lease, and to three additional one-year leases "at the same monthly rent provided for in this Rider, increased by a percentage no greater than that allowed at that time for one year leases for rent-stabilized apartments." Ditlow Aff., Exhibit "E" at 4.

however, complex regulatory programs. *See* Emergency Housing Rent Control Law, McKinney's Uncons Laws of NY §§ 8601-8617; Rent Stabilization Code, 9 NYCRR §§ 2520.1 - 2531.9. There is no indication that the initial rent set in a lease negotiated with a potential LINC program recipient is governed by the rent-control or rent-stabilization laws, and merely requiring that future increases in rent would be limited to a percentage no greater than that permitted for a rent-stabilized apartment does not convert the apartment to a rent-controlled or rent-stabilized apartment, subject to the full panoply of requirements under the rent-control and rent-stabilization laws, any more than accepting a section 8 voucher for an apartment would. *See Tapia,* 79 AD3d at 425 ("'[a]cceptance of plaintiffs' Section 8 vouchers will have no impact in expanding the buildings subject to the rent stabilization law or expanding regulation under the rent laws, and thus does not offend the objective of the Urstadt Law'" [citation omitted]). Nor would the LINC provision violate the Urstadt Law's prohibition on provisions more stringent or restrictive than those under the rent-control or rent-stabilization laws. *See* Uncons Laws § 8605; *see also City of New York v New York State Div. of Hous. & Community Renewal*, 97 NY2d 216, 226-227 (2001) (discussion of cases striking down provisions

of New York City Law that were more restrictive than provisions

under the rent-stabilization law as violating the Urstadt Law).

LINC Program Alleged to be Unreliable

Finally, defendants argue that they should not be required to take tenants who rely on the LINC program because of the unreliable history of local housing subsidies. Such an argument is inappropriate on a motion to dismiss pursuant to CPLR 3211, where "the court must accept the facts as alleged in the complaint as true, accord plaintiffs the benefit of every possible favorable inference, and determine only whether the facts as alleged fit within any cognizable legal theory." *Goldman v Metropolitan Life Ins. Co.*, 5 NY3d 561, 570-571 (2005) [internal quotation marks and citation omitted]; *Goshen v Mutual Life Ins. Co. of N.Y.*, 98 NY2d 314, 326 (2002). Here, plaintiffs have met that requirement. Furthermore, "[w]hether a plaintiff can ultimately establish its allegations is not part of the calculus in determining a motion to dismiss." *EBC I, Inc. v Goldman, Sachs & Co.*, 5 NY3d 11, 19 (2005).

Defendants May Suffer Financial Losses is Unsupported

Additionally in their supplemental letter, defendants argue at length that they should not be required to accept tenants relying on LINC vouchers because, as a result of LINC specifications concerning permissible levels of rent under renewal leases, they may ultimately suffer financial losses if the permissible LINC rent is lower than the rent which is then

permissible for other Spring Creek Towers tenants as calculated under the Mitchell Lama program.

During the oral argument, this Court only permitted the parties to provide additional citations regarding the significance of the presence or absence of commas in determining legislative intent, but did not give permission to supplement defendants' other arguments. In any case, this argument relies on speculation about what the rate of future rent increases might be as set under the LINC program and also what the increase will be at any given time for a non-LINC Spring Creek Towers tenant.

For these reasons, defendants' motion to dismiss the action is denied.

Motion for a Preliminary Injunction

At the time this action was filed, plaintiff Vaughn-Cooke had filled out an application for an apartment in the Spring Valley Towers complex, but had not yet been informed about the status of her application. In her motion for a preliminary injunction, Vaughn-Cooke seeks an order requiring defendants: (1) to process her application for an apartment, despite the fact that she intends to use a LINC voucher to pay a portion of her rent; and (2) to keep available at least one suitable apartment pending the court's determination of the motion.

On September 10, 2015, a temporary restraining order was

entered by the Hon. Barbara Jaffe directing that "Ms. Vaughn-Cooke be placed on the section 236 waiting list or such other appropriate list for an apartment within the price range available to her should her application [for an apartment] be approved."

In their papers opposing the motion for a preliminary injunction, defendants indicate that on October 28, 2015, Vaughn-Cooke appeared for the required interview at the rental application office at Spring Creek Towers and filled out the rental application interview form which requested, among other things, the contact information with respect to her prior residences for the past five years. Defendants indicate that, as of December 16, 2015, they had received no responses to their requests for information from the three previous landlords. Furthermore, they indicate that the letters to one of the landlords, Vaughn-Cooke's sister, were returned indicating that the addressee was unknown. See Exhibit "D" of the affidavit of Linda Paladino ("Paladino"), Director of Rental, sworn to on December 16, 2015. According to Paladino, on November 18, 2015, Vaughn-Cooke provided a different address for her sister and a new information request was sent to her on December 15, 2015. It is unclear whether her sister has responded to that request.

Paladino also states that a form was twice sent to Vaughn-

Cooke requesting specific required documents that had not been provided: a photo ID, a complete computer printout of public assistance benefits, six current consecutive bank statements for checking and one current bank statement for savings and proof of her income from acting. According to Paladino, those documents have still not been provided.

As such, this Court directs Vaughn-Cooke to supply (if not already produced) to defendants the documents that have been requested from her as part of the application process within twenty (20) days of service of this decision and order with notice of entry thereof. Within twenty (20) days of receipt of said documents, defendants shall process and respond to Vaughn-Cooke's application notwithstanding the basis of her source of income, including her intention to use a New York City government housing subsidy to pay for the apartment.

Conclusion

Accordingly, it is hereby

ORDERED, in motion sequence no. 001, that plaintiff Sandra Vaughn-Cooke's motion for a preliminary injunction is granted to the extent of directing Vaughn-Cooke to supply (if not already produced) to defendants the documents that have been requested from her as part of the application process within twenty (20) days of service of this decision and order with notice of entry thereof. Within twenty (20) days of receipt of said documents,

defendants are directed to process and respond to Vaughn-Cooke's application notwithstanding the basis of her source of income, including her intention to use a New York City government housing subsidy to pay for the apartment; and it is further

ORDERED, in motion sequence no. 002, that the motion by defendants Starrett City, Inc. and Grenadier Realty Corp. to dismiss the complaint is denied. Defendants to interpose an answer to the complaint within thirty (30) days of service of this decision and order with notice of entry.

Dated: June 30, 2016

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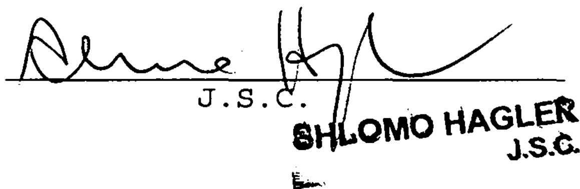

J.S.C.

SHLOMO HAGLER
J.S.C.