

Court Orders New York City to continue rent subsidy benefits for Work-Advantage tenants.

The Appellate Court, First Department, ordered New York City to continue paying rent subsidies for tenants until a lower appellate court makes a determination of this issue. The City argued that it stopped paying rent benefits since it lost Federal and State funding. Therefore, it refused to pay rent subsidies as of April 1, 2011. Legal Aid Society sued the City to continue the benefits. The final determination is pending. However although no final decision has been made, the City ceased paying rent subsidies to landlords under the Program.

The City's decision to stop paying benefits has placed Landlords in a financially vulnerable a position. Rent subsidy payments suddenly ceased for their tenants forcing Landlords to commence eviction actions against these tenants. Many landlords also were unable to meet their mortgage obligation or loan modification agreements due to the cessation of rent payments. The recent Appellate ruling will hopefully provide some financial comfort to these landlords while the underlying case is pending. Landlords should contact 311 or DHS Office of Re-housing at (212) 607-5310.

For Decision see Zheng v. The City of New York, 400806/11, 1202495958478, at 1 (App. Div. 1st, Decided June 2, 2011)