



730 N.Y.S.2d 823
 189 Misc.2d 170, 730 N.Y.S.2d 823, 2001 N.Y. Slip Op. 21410
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Supreme Court, Appellate Term, New York.
 First Department.

223 CHELSEA ASSOCIATES, L.L.C., Appellant,
 v.

Max P. DOBLER, Respondent, et al., Respondents.

May 15, 2001.

Landlord brought holdover proceedings against tenants, after federal mortgage on property was satisfied and Department of Housing and Urban Development (HUD) leases were terminated. The Civil Court, New York County, Maria Milin, J., granted tenants' motion for summary judgment and appeal was taken. The Supreme Court, Appellate Term, held that premises returned to local rent control upon termination of federal regulation.

Affirmed.

West Headnotes

Landlord and Tenant 200.16

233k200.16 Most Cited Cases

Premises returned to local rent regulation upon cessation of federal mortgage and termination of tenant's Department of Housing and Urban Development (HUD) loans. Rent Stabilization Code, § 2520.11(c), McK.Unconsol.Laws.

****824 *170** Kestenbaum, Dannenberg & Klein, L.L.P., New York City (Michael H. Klein of counsel), for appellant.

Collins, Dobkin & Miller L.L.P., New York City (Stephen **Dobkin** of counsel), for respondents.

Present: STANLEY PARNES, P.J., WILLIAM J. DAVIS, LUCINDO SUAREZ, Justices.

PER CURIAM.

Order entered May 12, 2000 (Maria Milin, J.) af-

firmed, with \$10 costs.

Since these holdover proceedings were erroneously brought upon the ground that the premises became exempt from regulation upon satisfaction of the Federal mortgage and termination ***171** of tenants' HUD leases, Civil Court correctly dismissed the holdover petitions. The building was substantially rehabilitated in 1967 with the assistance of Federal funds conditioned upon the (former) owner's participation in a low-income housing program. As authoritatively decided in parallel litigation involving the immediately adjoining building, which underwent the same rehabilitation, Rent Stabilization Code § 2520.11(c) governs in these circumstances and places the premises under rent stabilization upon the termination of Federal regulation (*Matter of 221 West 16th Realty LLC v. DHCR*, 277 A.D.2d 81, 716 N.Y.S.2d 54). We perceive no constitutional infirmity resulting from the return of the premises to local rent regulation upon the cessation of Federal supervision (see, *Federal Home Loan Mortgage Corp. v. DHCR*, 87 N.Y.2d 325, 334-337, 639 N.Y.S.2d 293, 662 N.E.2d 773).

The provision for attorneys' fees in tenants' HUD leases carries over into the existing statutory tenancy (*640 Broadway Renaissance Co. v. Rossiter*, 256 A.D.2d 568, 684 N.Y.S.2d 248). Tenants having prevailed in these proceedings, they are entitled to recover their legal fees under the reciprocity provision of Real Property Law § 234.

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