

Bond Case Briefs

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EMINENT DOMAIN - NEW YORK

74 Pinehurst LLC v. New York

United States Court of Appeals, Second Circuit - February 6, 2023 - F.4th - 2023 WL 1769678

Landlords, through trade associations, brought § 1983 action against the State of New York, the New York Division of Housing and Community Renewal and its commissioner, the City of New York, and the city's rent guidelines board and board members, alleging that the city's amended Rent Stabilization Law, both facially and as applied, effected physical and regulatory takings in violation of the Fifth Amendment's Takings Clause and violated the Fourteenth Amendment's Due Process Clause.

The United States District Court for the Eastern District of New York granted defendants' motion to dismiss for failure to state a claim. Landlords appealed.

The Court of Appeals held that:

- Landlords' facial challenge to the Rent Stabilization Law as allegedly effecting a physical taking failed;
- The Rent Stabilization Law, as applied, did not effect a physical taking of landlords' properties;
- Landlords' facial challenge to the Rent Stabilization Law as allegedly effecting a regulatory taking failed;
- Landlords' as-applied regulatory-takings claim challenging the Rent Stabilization Law was unripe;
- Assuming landlords' as-applied regulatory-takings claim was ripe, the claim failed;
- Assuming that landlords could bring a due-process challenge, the Rent Stabilization Law survived rational-basis review; and
- Sovereign immunity barred landlord's claims against the State of New York and its Division of Housing and Community Renewal, and claims against the division's commissioner to the extent they sought monetary relief.