

New York City Department of Housing Preservation & Development

Assistance with Privately-Owned Buildings: *J51 Tax Incentives*

Please note: The following tax incentive program is for developers and future or current property owners. If you are looking for an affordable apartment, please visit our **Affordable Housing Hotline**. Additionally, HPD's partners are required to advertise available affordable apartments in daily and local newspapers.

J-51

As-of-right tax exemption and abatement for residential rehabilitation or conversion to multiple dwellings

ELIGIBLE PROJECTS

1. HPD-sponsored moderate and gut rehabilitation of MULTIPLE DWELLINGS;
2. Privately-financed moderate and gut rehabilitation of MULTIPLE DWELLINGS;
3. Privately-financed and governmentally-assisted major capital improvements to MULTIPLE DWELLINGS;
4. Conversions of lofts and other non-residential buildings into MULTIPLE DWELLINGS

BENEFITS GRANTED

1. 34-year (30-years full + 4-years phase out) or 14-year (10-years full + 4-years phase out) exemption from the increase in real estate taxes resulting from the work. Affordable housing projects generally get the 34-year exemption while other projects get the 14-year exemption;
1. Abatement of existing real estate taxes by roughly 4% or 6% of the cost of the work each year for 12-years. Affordable housing projects generally

receive the 6% abatement while other projects get the 4% abatement.

Privately-financed projects in Manhattan south of 110th Street and co-ops and condominiums generally receive some limited benefits.

All rental units in the building become subject to rent stabilization or rent control for the duration of the benefits. In rental buildings, the landlord must also waive 50% of the rent increase which would otherwise be allowed under rent stabilization as a result of the work.

PROCESS The developer applies to the Tax Incentives Programs unit (TIP) of HPD. Projects receiving governmental assistance may apply for temporary benefits during construction/rehabilitation. All other projects may apply after completion of work, but not more than two years after completion. IP issues Certificate of Eligibility. The Department of Finance implements the benefits.

HOW TO APPLY Request an application by calling (212) 863-5517, Monday through Friday, 9:00-5:00. You may also download the **J-51 Guidebook** from our Web site. Completed applications are accepted from February 1-March 15, from May 1-June 15, from August 1-September 15, and from November 1-December 15.

Submit completed application to: J-51 Program, Tax Incentive Programs Unit, HPD, 100 Gold Street, New York, NY 10038. There is a \$100 application fee.