

## **J-51 R Frequently Asked Questions**

**Disclaimer:** This FAQ is solely provided for purposes of interim guidance to assist properties in applying for J-51 R program benefits. It is subject to change upon the adoption and effectiveness of the final J-51 R program rules in accordance with the requirements of NYC Administrative Code § 11-243.2 and New York City Charter § 1043. All applications submitted for J-51 R benefits in the interim shall ultimately be governed by such adopted rules.

### **Application Timing and Requirements**

#### **1. What is the timeframe for submitting a J-51 R application?**

Applications for J-51 R benefits must be filed on or before April 30, 2025 for projects that completed construction on or before December 30, 2024 and within four (4) months of the Completion Date for projects that completed construction after December 30, 2024. All eligible construction must have a Completion Date after June 29, 2022 and prior to June 30, 2026, and be completed no more than 30 months after the Commencement Date.

#### **2. What supporting documentation should be submitted for a J-51 R application before commencement of eligible construction?**

The items below must be submitted to HPD prior to the commencement of applicable Eligible Construction.

- Notice of Intent must be received by HPD's J-51 R Program office not less than fifteen (15) days before the Commencement Date, except as otherwise provided below; failure to do so will result in a penalty equal to the larger of \$500 or 10% of the application fee. If there is a material change in the scope or cost of the construction, the applicant must submit a revised form.

The penalty for late filing of the NOI may be waived in instances of emergency work as further defined in the Rules and for projects that commenced construction on or after December 30, 2024 and before February 6, 2025. Such projects must submit the NOI no later than the filing date of the application; failure to do so will result in a penalty equal to the larger of \$500 or 10% of the application fee.

Projects that commenced construction before December 30, 2024 will not be required to submit the NOI.

- Notice to Tenants must be provided at least 30 days and no more than 180 days prior to commencement of Eligible Construction, and the Affidavit Confirming Notice to Tenants must be filed with the Notice to Tenants. Notice to Tenants may be provided and posted less than 30 days in instances of emergency work as further defined in the Rules. Notice to Tenants must be posted conspicuously in prominent public places in the buildings(s) and deliver a copy thereof to tenants. Any project that commenced on or after December 30, 2024 that failed to give tenants, prior to the Commencement Date, notice of the proposed work, the identity and contact information of the eligible building's representative, and the tenants' rights under applicable law with respect to such work, are ineligible for J-51 R benefits.

Projects that commenced construction before December 30, 2024 will not be required to submit the notices.

### **3. What supporting documentation is required at initial application submission for J-51 R to be considered complete?**

The following documents and non-refundable application fee must be submitted at initial filing. If any of the below documents are not included in the initial filing, the application will be deemed incomplete and denied. A new, complete application may then be filed along with a new non-refundable application fee within fifteen (15) days of the date of the issuance of the denial. Applications must be filed electronically via email to [J51\\_customer\\_service@hpd.nyc.gov](mailto:J51_customer_service@hpd.nyc.gov). All electronic files and scanned documents must be submitted via email AND hard copy affidavits with wet signatures must also be submitted via mail to:

Attn: Division of Housing Incentives  
 Re: J-51 Reform Application  
 Department of Housing Preservation and Development  
 100 Gold Street, Room 8C-09  
 New York, NY 10038

#### **Initial Application Submission:**

- J-51 fee in the amount of \$1,000 plus \$75 for each additional dwelling unit in excess of six
- B1 - Application in fillable PDF “live” electronic format
- B2 - J-51 R Workbook in electronic format
- C4 - Affidavit of Non-Duplication (if applicable)
- D3a - Affidavit of Ownership and Energy Star Compliance
- D3b - Affidavit of No Harassment
- E3 - Architect’s/Engineer’s Affidavit concerning Commencement and Completion Dates
- Proof of Eligible Construction Costs
- Applicable Permits
- Certificate of Occupancy
- DOB approved Plans (if applicable)
- Affidavit of Lead-Based Paint Hazard Abatement (if applicable)
- DHCR Rent Registration (Required for Rental Buildings Only)
- D7a - Owner’s Declaration of Waiver of MCI Rent Adjustment (Required for Rental Buildings Only)
- Opinion of counsel (Required for Homeownership Buildings Only)

- Copy of the cooperative or condominium's offering plan, or copy of the offering plan which has been accepted for filing by the AG, or documentation demonstrating that the building is not subject to the requirements of § 352-e of the General Business Law (Required for Homeownership Buildings Only)
- Proof of Average Assessed Valuation at commencement of Eligible Construction (Required for Homeownership Buildings Only)
- Applicable Regulatory Agreement(s) (Required for all Regulated Homeownership Buildings or Substantial Governmental Assistance projects)

These documents may be submitted after initial application submission. An application will not be approved until these documents are completed.

- Housing Maintenance Code Search Report
- D5a - Affidavit of Violation Clearance for Owner (if applicable)
- D5b - Affidavit of Violation Clearance for Architect and Engineer (if applicable)
- E2 - Certificate of Compliance with DOB Regulations

#### **4. How would a project certify that there are no open violations on the property if the eligible construction does not require a DOB permit?**

A project that does not require DOB permits or approval for Eligible Construction must submit the E2 Certificate of Compliance with Department of Buildings regulations to indicate there are no outstanding Building Code violations on the property. J-51 R applications will not be approved if there are open Building Code violations at the time of the submission of the E2 form. HPD will not require the curing of Building Code violations incurred after submission of the E2 form for the issuance of a Certificate of Eligibility.

#### **5. What is the allowable time frame to submit to HPD the Certificate of Compliance with Department of Buildings Regulations (E2)?**

If the E2 form is not included with the initial application filing, it must be submitted to HPD within 90 days of the initial application filing date. J-51 R applications will not be approved if there are open violations at the time of the submission of the E2 form. HPD will not require the curing of violations incurred after submission of the E2 form for the issuance of a Certificate of Eligibility.

#### **6. What is the allowable time frame to submit to HPD a Proof of Compliance with Housing Maintenance Code Search Report (HPDOnline Report)?**

The HPDOnline Report which includes MDR registration and Housing Maintenance Code violations can be obtained on the HPD website: [HPDOnline - Home](#) by selecting the Print Building Info. If the HPDOnline Report is not included with the initial application filing, the Report must be dated within 90 days of the initial application filing date and should not have any open B or C violations. J-51 R applications will not be approved if there are open B or C violations dated no earlier than 90 days from the date of the submission of the HPDOnline Report. The applicant must either clear the violations of record or submit affidavits from a registered architect, a licensed professional engineer, or the owner, certifying that the architect or engineer has inspected the premises and that work necessary to remove any hazardous or immediately hazardous violations has been completed. HPD will not require the curing of

violations incurred after submission of the HPDOnline Report through the Certificate of Eligibility issuance date.

**7. If there are no prior J-51 or J-51 R benefits on record for the premises that are the subject of the J-51 R application identified on the DOF Benefit History website, is an Affidavit of Non-Duplication required with the filing of the J-51 R application?**

An affidavit of Non-Duplication is required for J-51 R applications only if the eligible building is currently receiving J-51 or J-51 R benefits.

**8. If a building is currently receiving J-51 or J-51 R benefits, can the building still be eligible for J-51 R benefits?**

Yes, any new Eligible Construction for a building already receiving J-51 or J-51 R benefits for prior work may qualify for additional J-51 or J-51 R benefits. Prior work for a building already receiving J-51 or J-51 R benefits may also qualify for additional J-51 or J-51 R benefits if all eligibility requirements are met, the Eligible Construction is a new replacement of the prior work, and the approved CRC of the replacement exceeds the approved CRC for the prior J-51 or J-51 R work.

**9. What is the additional inspection fee?**

Any inspection beyond the first inspection or attempted inspection by HPD required to confirm J-51 R Eligible Construction is \$4000 per additional inspection. Therefore, inspections should only be scheduled after all work for which benefits are being sought has been fully completed and is ready to be verified, at a time when HPD inspectors can be guaranteed full access to the premises.

**10. How should I file an application for a project with multiple buildings on a single tax lot where only some of the buildings are affected by the Eligible Construction?**

Eligibility and application fee amounts for the J-51 R program are based only on those buildings affected by or receiving the services of the Eligible Construction as confirmed by the BLDS inspection.

## **Eligibility**

**11. What are the permitted rents for restricted units at 80% of Area Median Income (AMI)?**

HPD uses the AMI, updated annually, for the primary metropolitan statistical area as determined by the United States Department of Housing and Urban Development for 80% AMI and adjusted by bedroom count and utility allowance. The permitted rent is up to 30% of 80% AMI, and the rent calculations are built into the J-51 R application and also are available on the HPD website: Link. [Area Median Income - HPD](#)

**12. When must the permitted rent for qualifying rental units be in effect to be eligible?**

Permitted Rent must be in effect as of the date of the filing of an application for a J-51 R Certificate of Eligibility and Reasonable Cost.

**13. How is unit size determined for establishing qualifying rents?**

Unit size is determined by the number of bedrooms in a unit. "Bedroom" means any living room as defined in § 27-2004 of the Housing Maintenance Code and § 4 of the Multiple Dwelling Law, after excluding the primary living room and the kitchen, except that Dwelling Units which contain a combined living/dining/kitchen space in excess of three hundred twenty-five square feet may be deemed to include both a kitchen and living room, so that any additional rooms may be considered Bedrooms under subdivision f of the Act.

**14. Do landmark buildings still get enhanced benefits?**

J-51 R simplifies the program by eliminating the multiple construction and benefit types. J-51 R has one standard benefit for all Eligible Construction.

**15. Do conversions of buildings from commercial to residential usage qualify for J-51 R benefits?**

Commercial conversions are not eligible for benefits under J-51 R. However, the RPTL § 467-m program provides benefits for the creation of new multiple dwellings units from non-residential buildings, except for hotels or other class B Multiple Dwellings. More information about 467-m can be found here: [467-m: Affordable Housing from Commercial Conversions](#).

**16. Does Eligible Construction have to be building-wide to qualify for J-51 R Benefits?**

Generally, the Eligible Construction has to benefit the building as a whole, and individual apartment improvements are not eligible for J-51 R Benefits.

**17. What is the minimum building size to be an Eligible Building for J-51 R benefits?**

A building must contain three or more dwelling units to be eligible for J-51 R benefits.

**Program Restrictions**

**18. What is the duration of J-51 R Restriction Period?**

Notwithstanding any termination or revocation of Rehabilitation Program Benefits prior to such period, the Restriction Period is 15 years from the initial receipt of J-51 R benefits, or such additional period of time as may be imposed by HPD as appropriate.

**19. Can a building with J-51 R benefits file an MCI rent increase application for the J-51 R Eligible Construction at the building and/or for different work?**

A building receiving J-51 R benefits cannot also receive an MCI rent increase for the same J-51 R Eligible Construction. HPD forwards the J-51 R Certificate of Eligibility and the Owner's Declaration of Waiver of MCI Rent Adjustment to HCR to ensure compliance. However, a building may apply to HCR for an MCI rent increase for non J-51 R work.

**20. How long do J-51 R benefits last?**

Abatement benefits are granted for up to 20 years based on the approved CRC applied annually at 8 1/3%. However, in many cases the J-51 R abatement is exhausted in 12 years.

**21. How are J-51 R benefits applied to condos? Do all units get J-51 R even if work was done on only a few condo units?**

J-51 R is granted by tax lots based on the condo lot range submitted by the applicant and approved by HPD, but individual apartment improvements are not eligible for J-51 R benefits.

**22. Can J-51 R benefits be layered with other New York City real property tax benefits?**

J-51 R benefits may not be applied to a property concurrently with any other tax exemption or abatement for rehabilitation or new construction with the exception of tax exemption or abatement under the provisions of the Private Housing Finance Law.