

THE CITY OF NEW YORK  
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT  
OFFICE OF DEVELOPMENT

RECEIVED

DEPARTMENTAL MEMORANDUM

DATE: February 5, 1979

TO: Stanley Lupkin, Dept. of Investigation: 48  
FROM: Nathan Leventhal  
SUBJECT: J51 Tax Exemption/Tax Abatement  
Partially Destroyed Buildings

---

As you are aware, J51 Tax Exemption/Tax Abatement benefits may be granted for the rehabilitation of a class A multiple dwelling or the conversion of an existing structure to class A multiple dwelling.

This office has attempted to establish a workable eligibility policy with respect to buildings which have been partially destroyed and reconstructed prior to the completion of the rehabilitation and conversion.

It is my belief that sound housing policy requires us to encourage the replacement of existing apartments where some portion of a building has been destroyed. Nonetheless, new construction (as in reconstruction of an entire building) should not receive the greater benefits of the J51 Program, as opposed to 421(a).

We propose that a partially destroyed building which is reconstructed shall remain eligible for J51 benefits. Of course, any increase over the cubic content of the original structure shall not receive benefits.

As a general rule, the issuance of an altered Building Permit shall be used as to distinguish new construction from reconstruction. However, we will not be bound by the alteration permit when an inspection reveals that the building is virtually all new construction.

If you have any disagreement with this policy, I would be happy to meet with you to discuss it further.

1593