



SPONY

THE SMALL PROPERTY OWNERS OF NEW YORK

Statement on the Revision of the J-51 Program

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SPONY strongly supports all efforts that help rental building owners maintain and improve their properties, ensuring safe, well-maintained housing for tenants across New York City. The J-51 Program, along with the Major Capital Improvement (MCI) program, are two such tools that small rental property owners have successfully used in the past.

Maintaining and improving NYC's aging rent-stabilized housing stock is especially challenging in a post-HSTPA environment. Labor and material costs have risen dramatically. Insurance costs for property owners and contractors have also increased sharply, driving up overall project expenses. We urge that the J-51 cost schedule be updated more frequently to reflect rising labor and material costs, ensuring that allowances keep pace with real-world expenses and that the construction cost schedule accurately reflects current market conditions.

The J-51 application and approval process has become increasingly complex, often requiring small owners to hire an expeditor, architect, or attorney to navigate it properly. These soft costs can be significant. We urge that any program reforms provide support not only for the hard construction costs of capital projects, but also for the professional soft costs associated with completing the J-51 application process. The process must be streamlined and free of unnecessary roadblocks to encourage broad participation.

Clearing violations is often complicated by circumstances beyond owners' control, including tenants' failure to provide access and HPD staffing shortages. Owners should not be excluded from participating in the J-51 program if violations remain unresolved due to factors outside their control. If a capital improvement will directly help clear violations, that should not preclude participation in the program.

Lowering the 50% threshold would also allow more buildings to qualify and participate.

Finally, we note that many small owners continue to rely on the MCI program, which helps support cash flow and financing for critical capital improvements. We encourage lawmakers to consider amendments to MCI that reflect the unique needs of small landlords, ensuring that both programs remain practical and effective tools for preserving safe, affordable housing.

Contact

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