



Community[®]
Preservation
Corporation



INVESTING IN ROCHESTER



LANDLORD & SMALL DEVELOPERS SUMMIT

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council



Rochester 2034 Comprehensive Plan, Overview and Highlights

Dorraine Kirkmire, Director of Planning
City of Rochester



INVESTING IN ROCHESTER

LANDLORD & SMALL DEVELOPERS SUMMIT



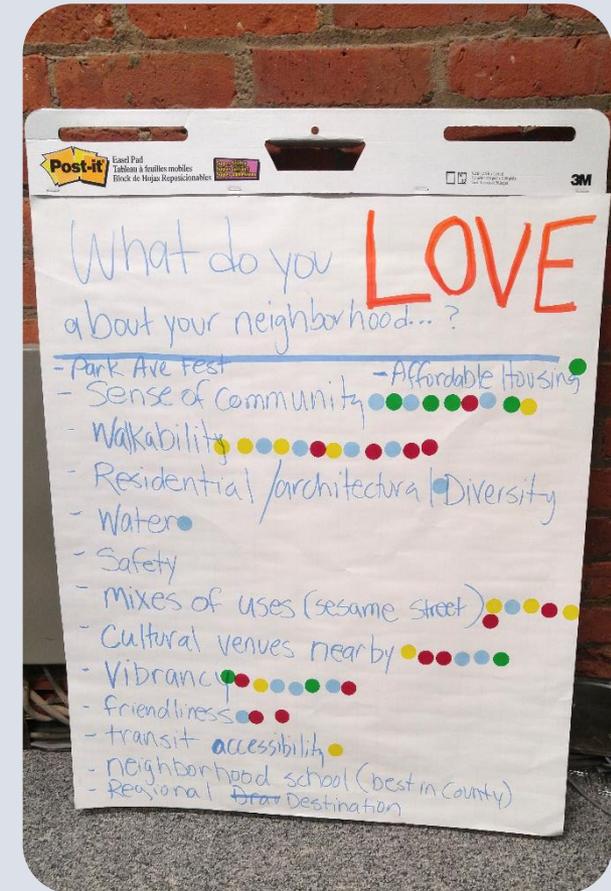
#roctheplan

Rochester

2034

Where the River Flows

- Where do we see our City in 15 years?
What do we look like?
- How do we get there from here?
- What are our values in getting there?
- What do we love about Rochester and how can we build on that?





INVESTING IN ROCHESTER

LANDLORD & SMALL DEVELOPERS SUMMIT

- A **VISION** for our development goals & aspirations
- **GUIDING PRINCIPLES** for policies and development
- An **ACTION PLAN** for achieving the vision



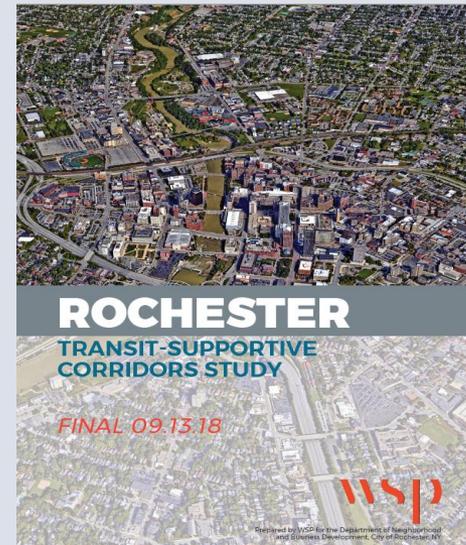
THIS IS A COMMUNITY-DRIVEN PLAN!

- Meetings with over 50 neighborhood groups
- Over 30 topic-based meetings that engaged more than 100 stakeholders groups
- Two surveys collecting input from more than 4,000 respondents
- Youth engagement
- Popup events – Public Market, Celebrate City Living, college campuses, etc.
- Component studies, each with an input process



IT'S ALSO DATA DRIVEN!

- 2018 Housing Market Study
- 2018 Transit Supportive Corridors Study
- 2019 Commercial Corridors Study
- 2019 Comprehensive Access and Mobility Plan



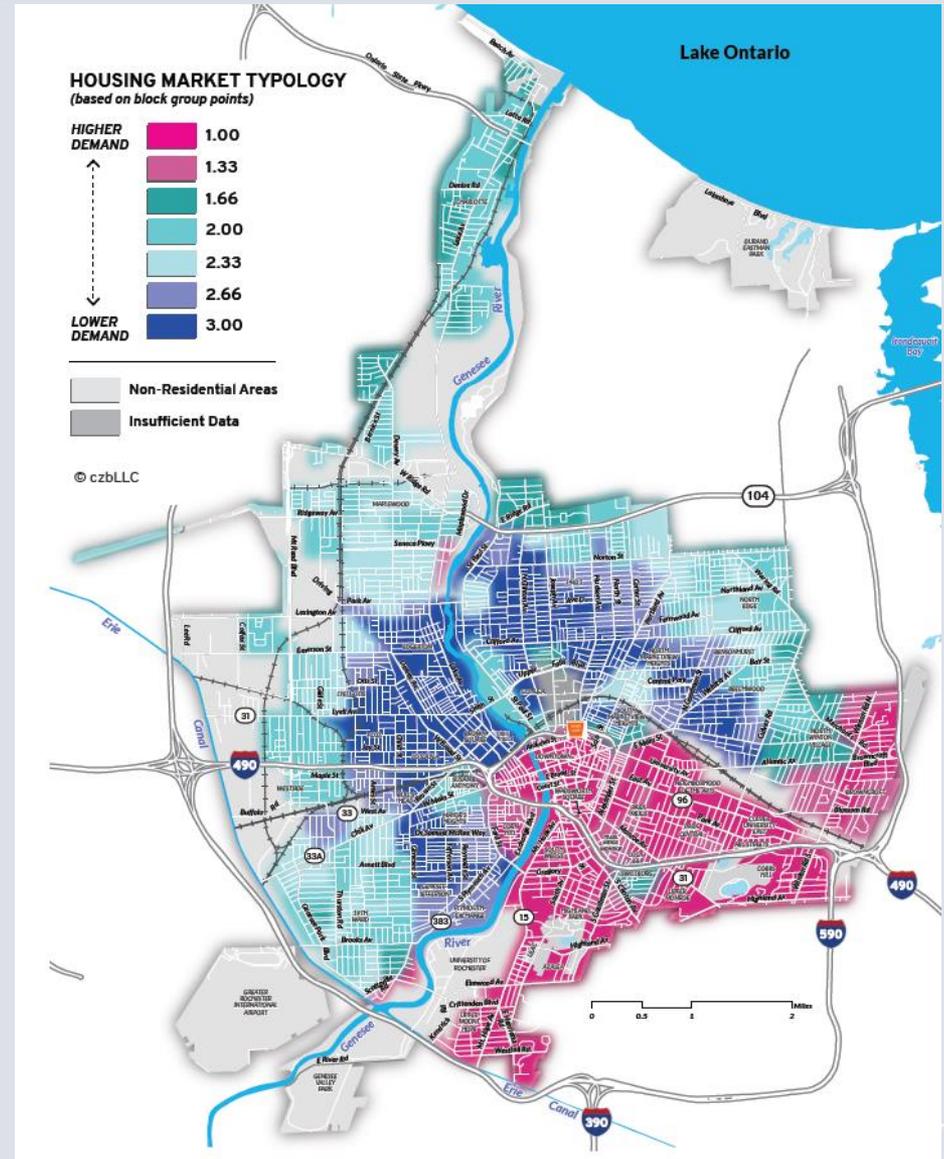


INVESTING IN ROCHESTER

LANDLORD & SMALL DEVELOPERS SUMMIT

EXAMPLE:

The 2018 Housing Market Study used factors such as market strength, bank foreclosures, and property distress to identify housing market typologies that helped frame action strategies.





PATH TO ADOPTION...

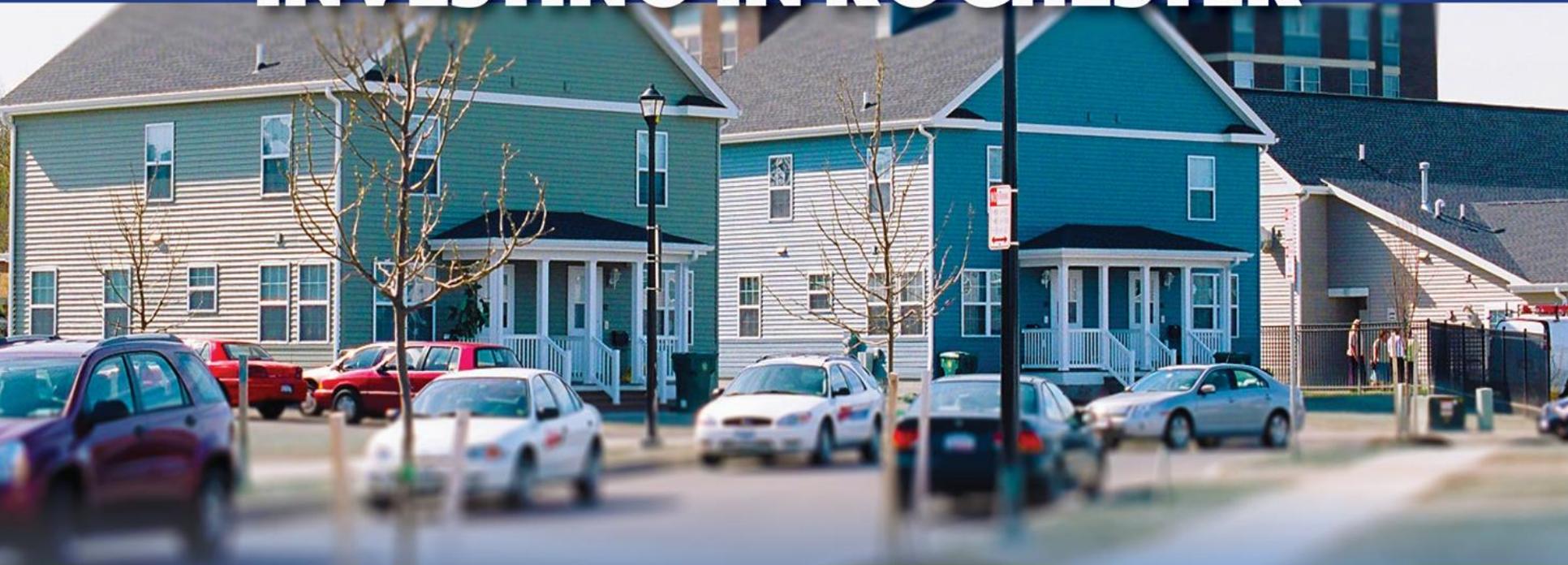
- Launch of Rochester 2034 in spring
- Public review
- Revised draft to City Planning Commission
- Advanced to City Council for adoption



Community
Preservation
Corporation



INVESTING IN ROCHESTER



LANDLORD & SMALL DEVELOPERS SUMMIT

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council



Rochester Land Bank Programs & City Real Estate Tax Foreclosure Auctions

Dana Miller: City of Rochester Director of Development
Services & Rochester Land Bank Corporation
Chair of the Board of Directors

Paul Scuderi: City of Rochester Director of Real Estate



Sales Programs

City of Rochester

- Auctions
- Request For Proposal (RFP)
- Land Sales
- Direct Sales



Rochester Land Bank Corp

- Auctions
- Request For Proposal (RFP)
- Land Sales
- Direct Sales





CITY OF ROCHESTER PROCESS

- Most City-owned properties are acquired through tax foreclosure, which is considered an involuntary acquisition.
- All sales require approval from City Council – no exceptions.
- City staff physically inspect every property acquired in order to determine each respective property's status.
 - Possible status includes:
 - Sale by public auction
 - Sale by RFP
 - Sale to adjoining owner (vacant land only)
 - Demolition
 - Hold for development



CITY OF ROCHESTER PROCESS

Many factors are considered when determining the disposition of a City owned property, such as:

- Physical condition of a structure on the site
- Any there known or suspected environmental issues?
- Are there City owned parcels in the immediate area?
- Is there an adjoining City-owned property?
- Is it in a project area?
- Is it occupied?



CITY'S PUBLIC AUCTION SALE

All auctions of City-owned property require pre-qualifying of potential purchasers for inclusion. All parties are screened against the City's purchaser requirements:

1. No delinquent taxes/charges on any owned property within the City
2. No property lost to the City via tax foreclosure within 5 years
3. No unresolved code violations
4. No unpaid tickets in Housing Court
5. No sale of a City-owned property cancelled by the City within past 3 years
6. No more than 3 on-going sales of a City owned property



CITY'S PUBLIC AUCTION SALE

- All approved bidders are notified in writing of their acceptance and provided a showing schedule for each property that is included in the sale.
- All approved bidders are given the opportunity to inspect the properties that are included in the sale. Depending on the size of the auction, there may be multiple opportunities to inspect.
- All properties are auctioned in “as-is” condition and all sales are final.
- The auction is an open, competitive bidding process.
- Each property is sold to the highest bidder.
- The winning bidder will have approximately 12 months to complete the rehabilitation.



CITY OF ROCHESTER REQUEST FOR PROPOSAL (RFP) SALE

- These sales do not use a process to prequalify potential buyers, however, the City's Purchaser Eligibility requirements must be followed. The selected developer is screened after their selection.
- All potential purchasers have the opportunity to inspect the properties being offered.
- The deadline to submit the development proposal is typically 4-6 weeks from the offering date.
- Proposals are reviewed by a committee of cross-departmental staff of City departments.
- The committee will make a recommendation to the Mayor's Office.



CITY OF ROCHESTER LAND SALES

- Vacant land is typically sold to either the adjoining owner(s) or held for a development project and sold in bulk.
- It is City policy to offer it to the adjoining owner but the City is not required to offer/sell to the adjoining owner.
- When a sale to the adjoining owner occurs, the purchaser is required to combine the parcels into one lot.



CITY OF ROCHESTER DIRECT SALES

Direct sales are not common. The City will consider a direct sale under very specific conditions such as:

- Job Creation
- Economic Development
- Job Retention
- Unique Site-Specific conditions



ROCHESTER LAND BANK

- The Rochester Land Bank was formed in 2013 as one of only 8 land banks in New York State. Today, there are now 25 land banks in NYS that all compete for funding.
- Funding has been exclusively via the NYS-OAG office and Enterprise Community Partners.
- The land bank legislation provides unique powers to land banks:
 - Super-bid
 - Credit-bid
 - Tax exempt status



ROCHESTER LAND BANK

- Land banks are designed to acquire and maintain problem properties and then transfer them back to responsible ownership and productive use in accordance with local land use goals and priorities, creating a more efficient and effective system to eliminate blight.
- Land banks are generally granted the following powers:
 - Obtain property at low cost through the tax foreclosure process (Super Bid)
 - Hold property tax-free
 - Clear title and/or extinguish back taxes
 - Lease properties for temporary uses
 - Negotiate sales based not only on the highest bid but also on the outcome that most closely aligns with community needs, such as workforce housing, needed support services, or expanded recreational space.



ROCHESTER LAND BANK

- The Rochester Land Bank Corp (RLBC) follows the same sale process as the City, with the exception of the City Council approval process.
- RLBC acquisitions are almost exclusively via the City tax foreclosure auction, where the Super-Bid is utilized.
- After acquisition, the RLBC will evaluate their acquisitions to determine their status (demolish or sell).
- Acquisitions made on behalf of our development partners are conveyed in a timely manner to minimize holding costs to the Land Bank.



ROCHESTER LAND BANK

The RLBC currently has 6 development partners, selected through an RFQ. Our current partners are as follows:

1. Greater Rochester Housing Partnership
2. Flower City Habitat for Humanity
3. Rochester Revitalization
4. City Roots Community Land Trust
5. Rochester Housing Authority
6. Project Phoenix



ROCHESTER LAND BANK

- The RLBC RFQ is expected to be issued every year. The evaluation criteria include the City's Purchaser Requirements as well as the following:
 - Partners must show past experience in the rehabilitation of residential structures including relevant details of the project.
 - Partners must show available financial resources of at least \$10,000 per property they intend to purchase.
 - Partners must demonstrate that they have a team/network to carry out rehabilitation of residential properties.
 - Partners must agree to retain ownership of any property acquired with RLBC assistance for a period of 3-5 years.
 - Partners must demonstrate their ability to manage properties.



ROCHESTER LAND BANK

- The RLBC RFQ is expected to be issued every year. The evaluation criteria include the City's Purchaser Requirements as well as the following:
 - Partners must show past experience in the rehabilitation of residential structures including relevant details of the project.
 - Partners must show available financial resources of at least \$10,000 per property they intend to purchase.
 - Partners must demonstrate that they have a team/network to carry out rehabilitation of residential properties.
 - Partners must agree to retain ownership of any property acquired with RLBC assistance for a period of 3-5 years.
 - Partners must demonstrate their ability to manage properties.



ROCHESTER LAND BANK

- The Land Bank cannot offer its partners financial or technical assistance in the rehab of properties purchased.
- Properties are generally conveyed either via a pre-arranged agreement with a development partner or a public auction.
- Purchasers are expected to complete the rehab and obtain a Certificate of Occupancy within 12 months. There are often affordability requirements.



INVESTING IN ROCHESTER

LANDLORD & SMALL DEVELOPERS SUMMIT

CONTACT INFORMATION FOR QUESTIONS OR COMMENTS

City of Rochester

- Michael Woodruff – Assoc. Real Estate Specialist
- Margot Garcia – Asst. Director of Real Estate
- Paul Scuderi – Director of Real Estate

(585) 428-6951



Believe.

Rochester Land Bank Corp

- Rita Rajca – Legal Assistant
- Maritza Mejias – Bilingual Real Estate Specialist
- Paul Scuderi – Executive Director
- Dana Miller – Chairperson, Board of Directors

(585) 428-7320



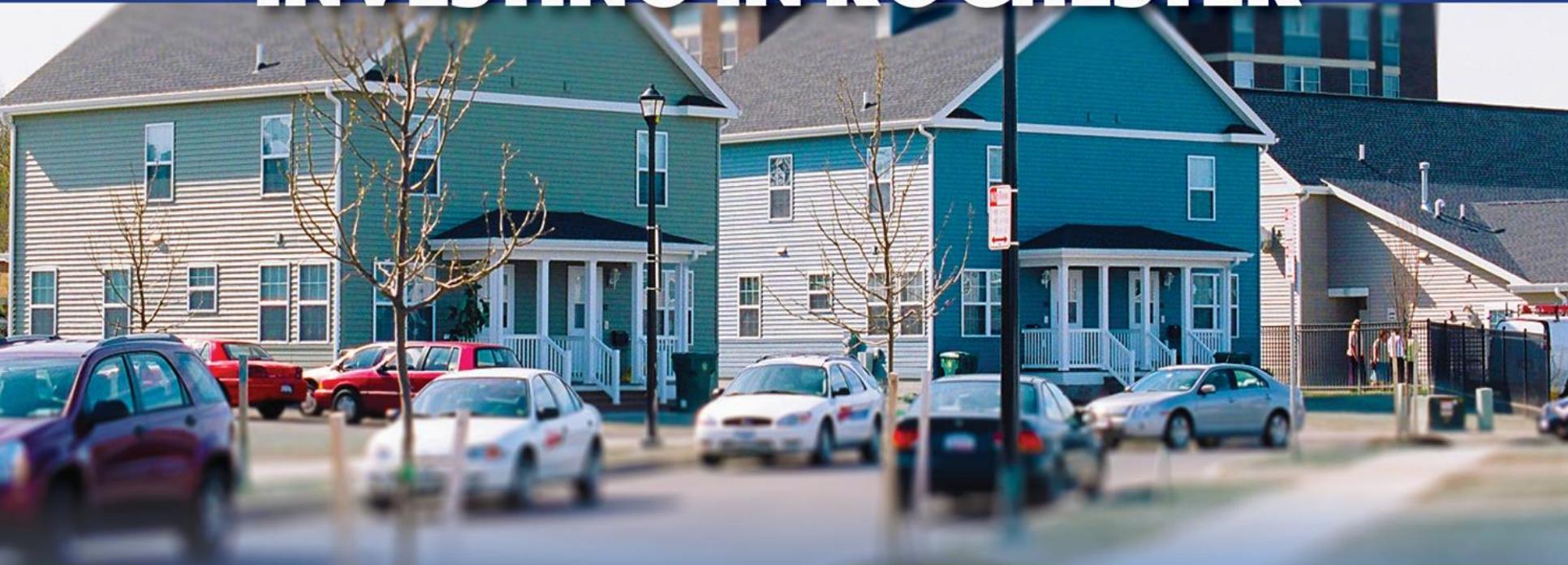
City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council



Community
Preservation
Corporation



INVESTING IN ROCHESTER



LANDLORD & SMALL DEVELOPERS SUMMIT

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council



Useful Online Tools and Data for Property Owners

Gary Kirkmire, Director of Buildings and Zoning
City of Rochester



Useful Online Tools and Data for Property Owners

Tools and Data to be Demonstrated

- Property Information System
- BuildingBlocks
- Code Compliant Rental Properties
- City Owned Real Estate
- Projects and Plans

Other Tools and Data

- Lead High Risk Area
- Recent Sales
- Vacant Structures and Land
- What's my NSC Area?
- What's my Zoning District?
- Who's my Code Inspector
- Zoning Boards and Commissions
- Other – RPD, PlowTrax, City Service Locator, Downtown Parking Garages, Refuse & Recycling Schedule
- <https://www.cityofrochester.gov/nbdmaps/>



Community
Preservation
Corporation



INVESTING IN ROCHESTER



LANDLORD & SMALL DEVELOPERS SUMMIT

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council

Rochester Developers Summit

March 13, 2019



**Community
Preservation
Corporation**[®]



**Homes and
Community Renewal**

Uncommon Expertise.

CPC believes housing is central to transforming underserved neighborhoods into thriving, vibrant communities.

CPC is a nonprofit affordable housing and community revitalization finance company providing flexible capital solutions, fresh thinking and a collaborative approach to the complex issues facing communities.

Our goal is to be more than just a lender. At CPC, we work as a partner to provide technical expertise, support and flexible solutions that help meet the capital needs and broader community revitalization goals of our customers, local stakeholders and the communities we serve.

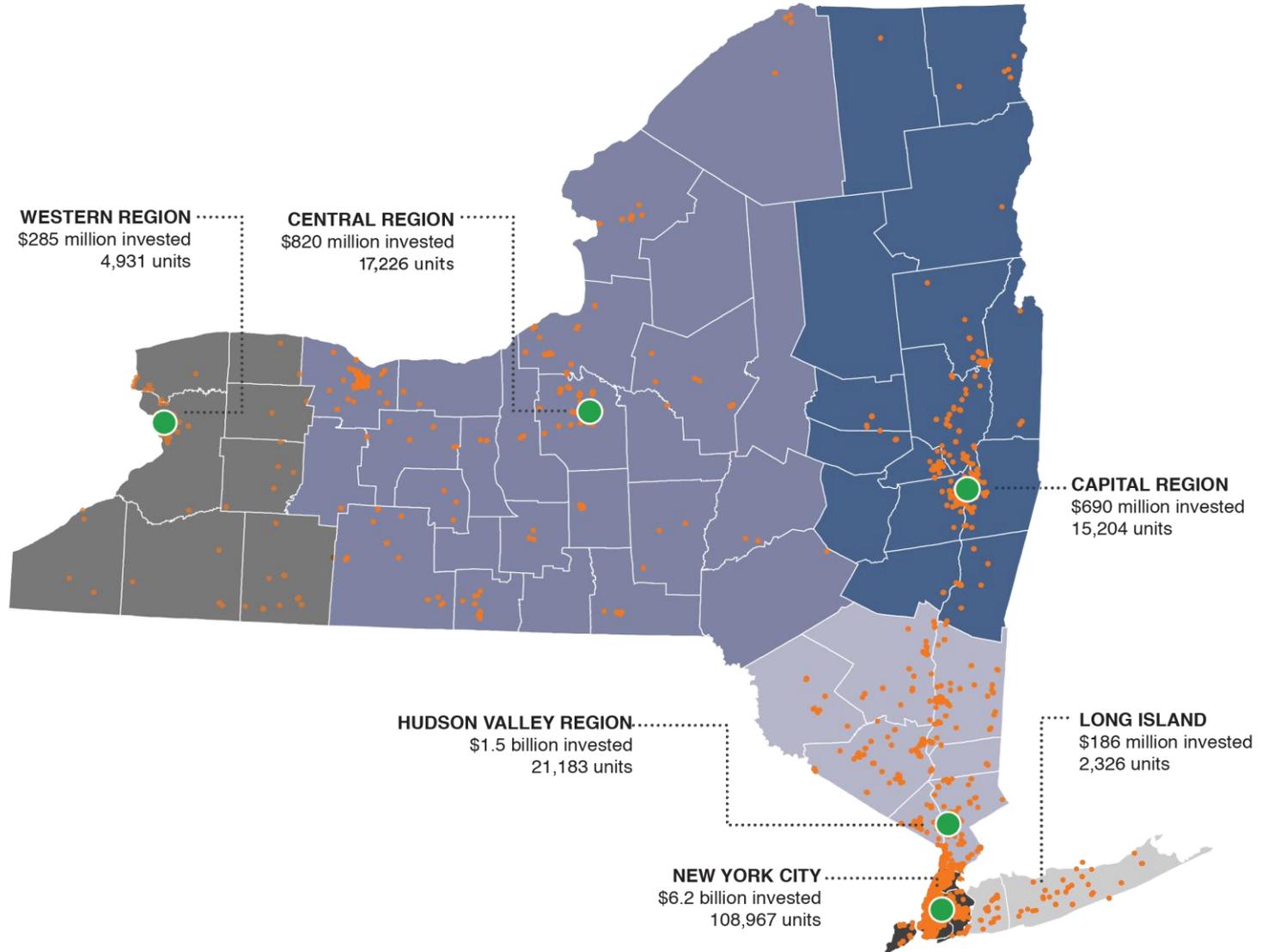


Unmatched Impact.

Since 1974, CPC's creative financing solutions have supported critical projects in neighborhoods across New York State and beyond, resulting in wide-reaching physical, economic and social impacts that improve communities and people's lives.



Since Inception in New York State



CPC's Unique Role in the Market



Commercial Banks

CPC's Lender Group, comprised of over 13 commercial banks, provides us with a revolving facility for use on construction loans.

More than \$500 million investable capital



Agency Funders

CPC is a HUD MAP Lender and a licensed Seller/Service for Freddie Mac and Fannie Mae, and works with these partners to develop new funding programs.

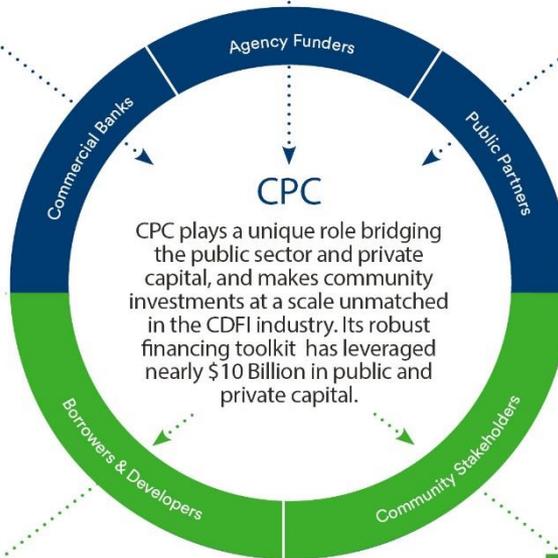
Uncapped potential



Public Partners

CPC has relationships with more than 40 public partners, including NYS HCR, NYC HPD, SONYMA, NYSCRF, NYCRS, as well as local municipalities across NYS and beyond.

\$1.4 billion investable capital



Borrowers and Developers

CPC's deep strategic relationships allow us to offer customized loans and flexible equity solutions, integrating multiple funding sources, to bring your vision to fruition.



Community Stakeholders

Our boots-on-the-ground approach allows us to work with local municipalities, BIDs, and private stakeholders to initiate downtown revitalization projects, create unique finance programs, support economic development initiatives and preserve housing affordability.

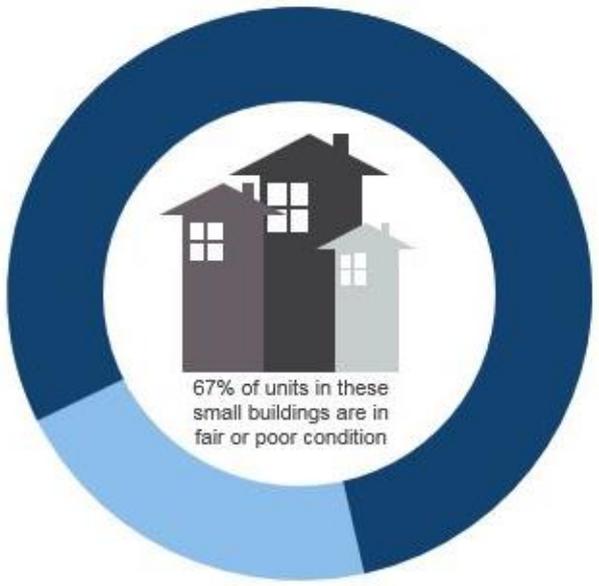


Why Small Buildings?

Small Multifamily Stock in Upstate NYS

In the upstate New York market,* small buildings make up a significant portion of the multifamily housing stock. They tend to be both more affordable and of lower quality.¹

Upstate Markets



71% of multifamily buildings have 5-49 units



Asking Rent
 20% below metro average
 43% below high quality buildings

*Includes Albany, Buffalo, Rochester & Syracuse

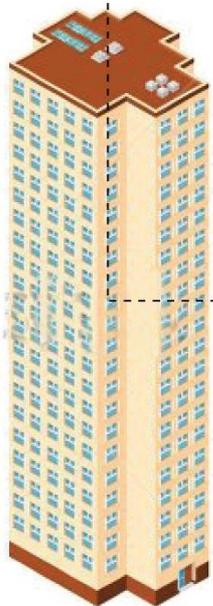
¹Data as of 16Q4 from CoStar Portfolio Strategy.



The Economics of Small, Multifamily Buildings

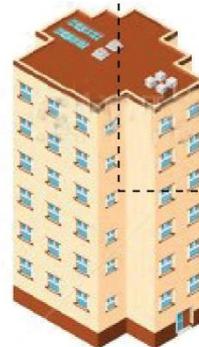
The finances of small buildings are often more fragile than that of their larger counterparts. Properties with 49 or fewer units tend to have lower operating margins and are less likely to be able to weather vacancies and achieve economies of scale.¹ Their owners can also have more difficulty accessing the debt needed to keep their buildings healthy over the long-term.

Higher debt per unit +
Lower expenses per unit



Higher Operating Margins

Lower debt per unit +
Higher expenses per unit



Lower Operating Margins

¹Based on 1-year averages from CPC's 2014 Maintenance and Operations Study.

Tackling the Needs of Small Buildings

Because of the prevalence of the small, multifamily rental stock and its relative affordability, creating and preserving these kinds of buildings is a priority for CPC, as well as the State of New York.

- Over 70% of CPC's loans since inception have been to small buildings.
- CPC recently completed a financing guide for newer small building owner/developers, "Start Small."
- We continually work to build a product mix that works for the spectrum of small building project needs.

NYS Homes and Community Renewal (HCR)

- Provide a variety of housing subsidies to acquire, build, rehabilitate or refinance properties large and small.
- Recently rolled out a new financing source, the Small Building Participation Loan Program, specifically targeting the preservation and improvement of rental properties in buildings of 5 to 40 units located outside of New York City.

Small Building PLP Terms

HCR's Small Building Participation Loan Program provides gap project financing assistance for qualified housing developers for acquisition, capital costs and related soft costs associated with the preservation and improvement of rental properties in buildings of 5 to 40 units located outside of New York City.

HCR subsidy is combined with bank financing from a participating private institutional lender, resulting in a lower blended financing cost.

Eligible Uses

- Substantial or moderate rehabilitation of site-specific multifamily rental housing in buildings of 5 to 40 units.
- Construction and permanent financing available.

Financing Requirements

- Funding is not available for projects financed with LIHTCs or bonds.

FY 2018-19 Anticipated Amount Available

- Up to \$20 million.

Per Residential Unit Maximum Award

- Up to \$50,000 per housing unit.

Small Building PLP Terms

Area Median Income Restrictions

- The average AMI of units in the project must not exceed 80%, and all units must be affordable to households earning no more than 120% of AMI.

Regulatory Agreement Requirements

- Borrowers will be required to enter into a Regulatory Agreement to ensure compliance with HCR policy including but not limited to, income restrictions, restrictions on transfers, and financial reporting, typically for a period of at least 30 years.

Interest Rate and Loan Terms

- Private Loan: As established by the participating lender.
 - 30 year term.
- HCR Subsidy Loan: 0.5% interest-only paid during construction and permanent.
 - 30 year term.

Equity Requirements

- During the construction period the minimum equity exposure requirement of at least 10% of total development cost (TDC) for for-profit developers and 2% for not-for-profit developers can be met with cash.

Mortgage Insurance

- Mortgage insurance must be provided by SONYMA or another insurer acceptable to HCR.



Community
Preservation
Corporation



INVESTING IN ROCHESTER



LANDLORD & SMALL DEVELOPERS SUMMIT

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council



675 W. Main Street
Rochester, NY 14611

MISSION STATEMENT

THE ROCHESTER HOUSING AUTHORITY IS AN ESSENTIAL RESOURCE FOR GREATER ROCHESTER, PROVIDING QUALITY HOUSING OPPORTUNITIES AND SERVICES FOR ITS COMMUNITIES.

ROCHESTER HOUSING AUTHORITY

- Established in 1955 as an independent public corporation
- RHA administers two main HUD programs
 - Public Housing – 2,400 units within the City of Rochester
 - Section 8 – 9,735 vouchers
 - Combined, RHA serves over 12,000 low income residents and participants in the five-county Greater Rochester Area
- RHA is a HUD High Performer in operating its Section 8 Program



LEASING OPERATIONS

ALSO KNOWN AS
SECTION 8

LEASING OPERATIONS STAFFING

- Director
- Housing Managers and Inspection Supervisor
- Housing Specialists
- Clerks
- Inspectors

CITY ORDINANCE

- June 20, 2017 the City of Rochester amended Chapter 63 of the Municipal Code, Ordinance No. 2017-163 with regard to housing discrimination on the basis of source of income, such as: Section 8; Unemployment; Social Security Disability (SSI), and Department of Human Services (DHS)

LEASING OPERATIONS PROGRAMS

- Housing Choice Voucher (Section 8)
- Project Based Voucher (PBV)
- Permanent Supportive Housing (PSH)
- Veterans Affairs Supportive Housing (VASH)
- Mainstream and Non Elderly Disabled (NED)
- Home Ownership Program

HOUSING CHOICE VOUCHER (SECTION 8)

- Assistance is tenant-based. This means families are able to live in a qualifying rental unit of their choosing anywhere within RHA's jurisdiction or, if the family is eligible, they are able to "port" their voucher and move anywhere in the country where there is a Public Housing Agency administering vouchers. Tenants pay at least 30 percent of their annual adjusted income for rent and utilities
- Currently serving 6,404 participants

PROJECT BASED VOUCHERS (PBV)

- The vouchers in the PBV program are attached to the unit. After one year of program participation, the family may move with a Housing Choice Voucher. Tenants pay 30 percent of their income for rent and utilities. RHA enters into a long-term Housing Assistance Payments contract with the property owner to pay the remaining rent balance.
- Currently serving 2,431 participants
- 64 contracts executed with local owners & developers.

WAITING LISTS

- HOUSING CHOICE VOUCHER (SECTION 8): Waiting list is currently closed, only serving those currently on the list
- PROJECT BASED VOUCHER: Applications are available at each Complex
- A complete list is available on RHA's website, www.rochesterhousing.org

ELIGIBILITY CRITERIA

All applicants must meet HUD/RHA's eligibility criteria. Some examples are:

- Income Eligible
- Criminal background
- Debts Owed with any Federally Assisted Housing Program

PROGRAM REQUIREMENTS FOR PARTICIPANTS

- Report Income Changes
- Report Household Composition Changes
- Comply with Family Obligations



PROJECT BASED VOUCHERS

**REQUEST FOR PROPOSAL
PROCESS**

REQUEST FOR PROPOSAL PROCESS

- RHA has established a “rolling” RFP process
- Proposals are accepted on a first come, first served basis
- Proposals will be selected for consideration continuously, until funding or vouchers are no longer available, through September 30, 2020
- Proposals must be for new construction or major rehabilitation projects only. Rehabilitation projects must demonstrate a minimum average per unit renovation cost of \$5,000 to be considered for award
- The complete, current RFP can be found on our website: <https://www.rochesterhousing.org/project-based-voucher-program>

REQUEST FOR PROPOSAL PROCESS

Eligible projects must be:

- Previously selected or awarded funding for housing assistance under a federal, state or local government housing program or a supportive services program that required a competitive selection (Examples: LIHTC, HOME)

REQUEST FOR PROPOSAL PROCESS

Eligible projects must be:

- Selected for award within three years of the proposal
- Subject to a subsidy layering review to ensure no excess subsidy is awarded
- Located within RHA's jurisdiction of Monroe, Orleans, Livingston, Ontario, and Wayne Counties
- A preference is awarded to developments that are located within the City of Rochester
- Revitalization Bonus: RHA will give preference to developments in a designated City of Rochester "Focused Investment Strategy" area

REQUEST FOR PROPOSAL PROCESS

Proposal Submission:

- Three copies of each proposal must be submitted in a three-ring binder
- Proposals must address ALL of the criteria outlined in the RFP, with labeled tabs for each section of the proposal requirements

REQUEST FOR PROPOSAL PROCESS .

Proposal Submission:

- Upon submission, the proposal will be ranked by a designated team of RHA staff
- Proposals will be reviewed and scored based on the scoring rubric listed in the RFP
- Every PBV applicant must demonstrate to RHA that their project satisfies the twin goals of deconcentrating poverty and expanding housing and economic opportunity

REQUEST FOR PROPOSAL PROCESS

PBV awards will be contingent upon:

- The availability of RHA's voucher and budget authority at the time the proposal is submitted
- The proposal's consistency with the RFP requirements
- Compliance with all applicable HUD and RHA PBV requirements prior to and during the Agreement to Enter into a HAP contract (AHAP) and Housing Assistance Payment (HAP) contracts)

REQUEST FOR PROPOSAL PROCESS

Notice of Selection:

Within 10 business days of RHA making a selection, RHA will notify owner in writing.

RHA CONTACT INFORMATION

- ADDRESS: 675 WEST MAIN STREET,
ROCHESTER, NY 14605
- WEBSITE: www.rochesterhousing.org
- LEASING OPERATIONS (585) 697-6105
- RHA INFORMATION LINE (585) 697-3600



Community[®]
Preservation
Corporation



INVESTING IN ROCHESTER



LANDLORD & SMALL DEVELOPERS SUMMIT

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council