

NOTICE OF HEARINGS

NOTICE IS HEREBY GIVEN that public hearings will be held before the Mayor of the City of Rochester in the Council Chambers, Room 302A, City Hall, 30 Church Street, on Friday, January 10, 2025 at 2:00 P.M., upon the following entitled local laws which were passed by the City Council and which may be read at www.cityofrochester.gov/councilproceedings:

Int. No. 441: Local Law extending the Residential-Commercial Urban Exemption Program

Int. No. 251: Local law amending the City Charter to adopt a Good Cause Eviction Law

Malik D. Evans
Mayor



City of Rochester

City Hall Room 308A, 30 Church Street
Rochester, New York 14614-1290
www.cityofrochester.gov

**Budget, Finance & Governance
Introductory No.**

Malik D. Evans
Mayor

441

October 29, 2024

FINANCE 18

TO THE COUNCIL

Ladies and Gentlemen:

Local Law No. xxx

Re: Reauthorization - Residential Commercial
Urban Exemption (CUE) Program

Council Priority: Creating and Sustaining a Culture
of Vibrancy

Comprehensive Plan 2034 Initiative Area:
Reinforcing Strong Neighborhoods

Transmitted herewith for your approval is legislation reauthorizing the Residential Commercial Urban Exemption Program (CUE) under RPTL 485-a.

CUE was originally authorized by City Council in March 2003 by Local Law No. 3, under New York State Real Property Tax Law. The program allows cities with populations of between 50,000 and 1,000,000 to provide tax exemptions for certain classes of mixed-use properties. Since 2003 CUE has been re-authorized six times with the last one being in December 2021 under Local Law No. 1 of 2022.

The objective of the program is to facilitate the conversion of underutilized office, retail, manufacturing, and warehouse buildings to promote downtown residential use. Under CUE, a non-residential property, upon conversion to mixed-use (residential-commercial), can be partially exempted from taxation and special ad valorem levies for a period of twelve years. The exemption is applied only to the increase in assessed value attributable to the conversion to mixed-use.

In years 1-8, the exemption applies to 100% of the increase in assessment attributable to the conversion to mixed-use; in the years that follow, the exemption is reduced by 20% each year, with full taxation applying in year 13 and beyond. CUE is restricted to mixed-use conversion projects located in the Center City District. To qualify for the exemption, property owners must invest at least \$250,000 in converting the property and provide a minimum of 25% of the total developed space for use as rental housing.

With the last re-authorization the program was modified to require community benefits as follows: 20% of the total number of residential units must be affordable to households earning at or below 60% of Area Median Income (AMI). Projects will also be subject to the City's Minority and Women-Owned Business Enterprises (MWBE) and workforce goals. The City's MWBE goal is 30%, the workforce minority goal is 20%, the workforce female goal is 6.9%, and the City of Rochester resident workforce goal is 25%.

Since its inception, 35 properties have qualified for, and taken advantage of the CUE Program. Twelve of those CUE exemptions have expired and those properties are now fully taxable. There are currently six applications pending, with renovations either proposed or currently in progress. The 35 projects that are currently or formerly enrolled have resulted in an investment of more than \$146 million and the creation of 981 rental housing units in the



Center City. The assessed value of these properties has increased by more than \$90 million. The six proposed or pending projects will create an additional 338 dwelling units. Attached is a list of the thirty-five properties that have taken advantage of the CUE program.

The current authorization for CUE is limited to the City's assessment rolls for the years 2022, 2023 and 2024. If authorized, the extension will cover the City's next three years' assessment rolls: 2025, 2026 and 2027.

A State Environmental Quality Review Act (SEQRA) was completed, and the program was determined to be a Type 2 activity.

Respectfully submitted,



Malik D. Evans
Mayor

Properties that have Qualified for, and Taken Advantage of the CUE Program

CUE Start	Street Address	Status
06-07	277-279 Alexander Street	Former or Expired
06-07	114-118 St. Paul Street	Former or Expired
07-08	85 Allen Street	Former or Expired
07-08	60 Grove Street	Former or Expired
07-08	139 State Street	Former or Expired
08-09	222-230 Mill Street	Former or Expired
09-10	250 South Avenue	Former or Expired
09-10	96 Liberty Pole Way	Former or Expired
10-11	72-82 St. Paul Street	Former or Expired
10-11	208 Mill Street	Former or Expired
13-14	45-49 Charlotte Street	Former or Expired
13-14	242 W Main Street	Former or Expired
14-15	13 S. Fitzhugh Street	Current
15-16	511-527 State Street	Current
15-16	210 South Avenue	Current
16-17	324-328 East Avenue	Current
16-17	330-334 East Avenue	Current
17-18	1 Woodbury Blvd	Current
17-18	194 Smith Street	Current
18-19	1 S. Clinton Avenue	Current
18-19	88-94 Elm Street	Current
19-20	44 Exchange Blvd	Current
19-20	181-187 E Main Street	Current
19-20	344-350 East Avenue	Current
19-20	37 S. Fitzhugh Street	Current
20-21	131-147 State Street	Current
21-22	10 Franklin Street	Current
21-22	149-163 State Street	Current
21-22	49 Stone Street	Current
22-23	467-471 State Street	Current
22-23	190-194 E. Main Street	Current
22-23	355-365 East Avenue	Current
22-23	74-86 University Avenue	Current
24-25	100-140 S. Clinton Avenue	Current
24-25	30 W. Broad Street	Current

INTRODUCTORY NO.

441

Local Law No. XXX

Local Law extending the Residential-Commercial Urban Exemption Program

BE IT ENACTED, by the Council of the City of Rochester as follows:

Section 1. Section 6-71.7 of the Charter of the City of Rochester, Residential-Commercial Urban Exemption Program, shall remain in effect for the 2025, 2026 and 2027 assessment rolls. Any property that is granted an exemption on one of those rolls shall remain eligible for the additional years of exemption on that property, provided the property continues to meet the requirements of New York State Real Property Tax Law Section 485-a.

Section 2. This local law shall take effect immediately.

Adopted by the following vote:
8 - 1
(SM - No)