

City-Wide Rochester Housing Market Study Recommendations





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I. Executive Summary

Rochester is a city faced with many challenges yet is also blessed with tremendous opportunities. Capable leadership, a strong commitment to the City by residents and non-profit organizations, and a full array of urban amenities comprise the basis of a solid foundation from which to move forward.

In recent years, cities across the country in weak and strong markets alike have collected and mapped data at the neighborhood level, carefully studied their market demand, and re-tooled their housing policies to meet the needs of the 21st century. Through this process, significant milestones have been achieved. Some cities have created real and sustained markets for new downtown housing where none previously existed. These new markets helped to spark improvements not only in the neighborhoods in which the new housing was built, but throughout all neighborhoods in these cities. The subsequent increase in tax revenue combined with newly leveraged private dollars provided more resources to tackle other deep-seated social and economic issues city-wide. The most important result, and the one most difficult to measure, is the enhanced community pride and confidence that stems from a city making visible improvements. This potential is not out of reach in Rochester.

This document represents the final phase of work completed by Interface Studio LLC for the City-Wide Rochester Housing Market Study. These goals and recommendations are derived from the eight month study process focused on understanding the dynamics of the City's housing market, including extensive data analysis and outreach with local stakeholders. The full analysis of the City's housing market is available on the project's website – www.rochesterhousingstudy.com.

The recommendations contained in this document represent a wide range of ideas and strategies in terms of both specificity and vision. This Study specifically asked that the City take a step back and re-evaluate its approach. To do this, the recommendations must serve to touch both the visionary and pragmatic. The recommendations that articulate strong and long-term visions are intended to spark discussion and provide a framework for shaking up conventional thinking. The more specific recommendations provide a sense that small scale interventions when linked to a comprehensive vision can make a difference. The objective is to provide a broader context within which new strategies such as the “focusing” of City funds should emerge.

This planning process has emphasized that all strategies need to be aligned with a theory of change that is grounded in the facts. This housing study and analysis provides the factual framework to develop new ways to view Rochester's challenges and, thus, new approaches.

SUMMARY OF GOALS & RECOMMENDATIONS

The objective of this Study since its inception is to link the data-driven analysis to specific recommendations. Ten critical issue areas were identified. Each issue area generated a corresponding goal to which the City and its partners should aspire. The goals are broad and represent a wide range of inter-related activities the City and its partners need to consider when developing a housing policy. Specific, action-oriented recommendations accompany every goal. Collectively, the goals and recommendations address the key factors that determine the City's housing market potential. These include the role the City plays in the regional context, the local development environment, the quality and character of the City's neighborhood fabric, and government and institutional ability to bring about change. The goals and key recommendations are summarized below.

1. Issue: Rochester has lost population and is located in a 'slow-growth' region.

Goal: Position Rochester to lead the way in smart solutions to upstate problems.

Key Recommendations include:

- Leverage outside resources for neighborhood revitalization and lobby Albany on Smart Growth issues.
- Strengthen regional cooperation and planning.
- Promote Rochester as the vibrant, urban center of the region.

2. Issue: Market development is hampered by lack of confidence in the depth of the market.

Goals: Build confidence in the public, private and non-profit sectors that Rochester can and will improve.

Support and sustain the current development momentum, creating a strong residential and mixed use market in downtown. Prime expansion of this market to the neighborhoods.

Key Recommendations include:

- Renew Rochester's housing stock with new residential products that address market demand.
- Encourage new development through an effective permitting process.
- Strategically utilize Development Resources to support market growth.
- Assemble sites for large scale development.



3. Issue: Rochester’s housing stock does not meet the full needs of today’s individuals and families.

Goal: Reinvigorate the City’s neighborhoods with a greater range of housing typologies and design to fully meet market potential.

Key Recommendations include:

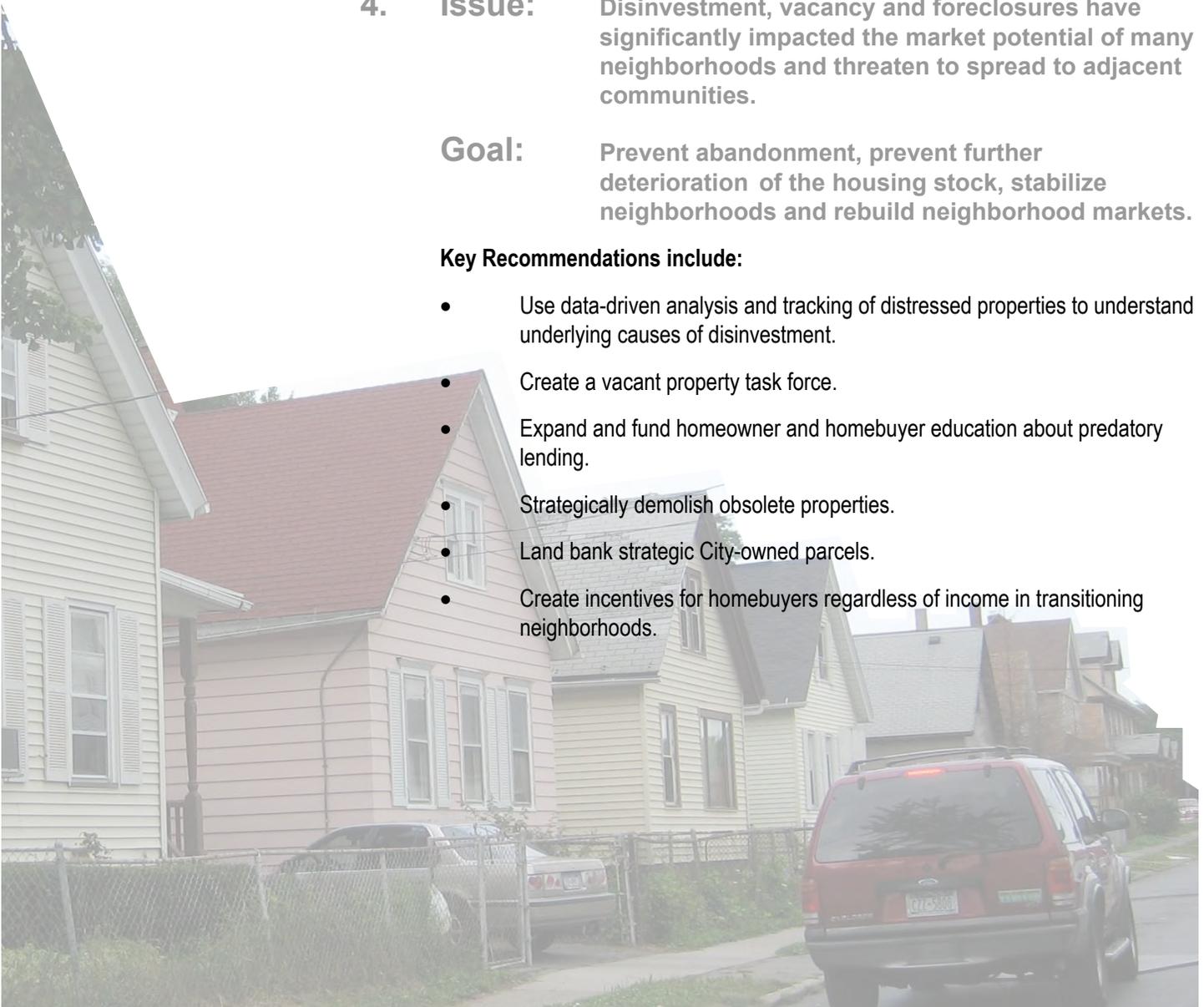
- Build on Rochester’s reputation for excellence and innovation by encouraging innovative housing design.
- Ensure Rochester’s future is “green” by developing a green housing policy for the City.
- Encourage Universal Design for new and existing units.

4. Issue: Disinvestment, vacancy and foreclosures have significantly impacted the market potential of many neighborhoods and threaten to spread to adjacent communities.

Goal: Prevent abandonment, prevent further deterioration of the housing stock, stabilize neighborhoods and rebuild neighborhood markets.

Key Recommendations include:

- Use data-driven analysis and tracking of distressed properties to understand underlying causes of disinvestment.
- Create a vacant property task force.
- Expand and fund homeowner and homebuyer education about predatory lending.
- Strategically demolish obsolete properties.
- Land bank strategic City-owned parcels.
- Create incentives for homebuyers regardless of income in transitioning neighborhoods.



5. Issue: Rochester is dominated by rental housing.

Goal: Recognize the importance of landlords and rental housing to neighborhood health and sustainability by providing support and accountability for city landlords.

Key Recommendations include:

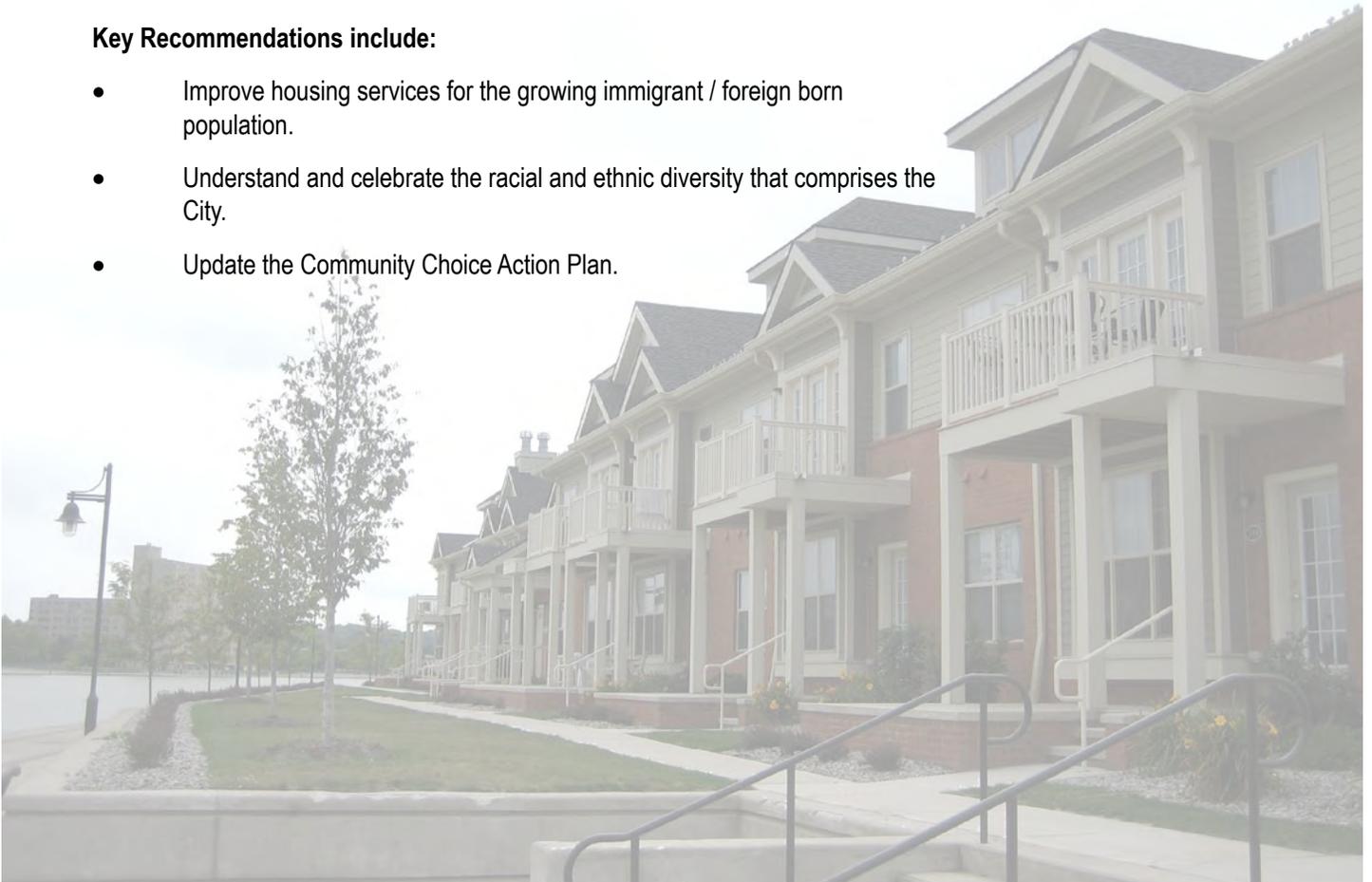
- Consider establishing a City Rental Center.
- Develop loan products that work for small landlords.
- Track property flipping.
- Promote professional property management services for small scale landlords to access as part of an Economic Development program.
- Evaluate the existing lead-based paint program and re-design to maximize participation by landlords.

6. Issue: Rochester is a segregated City, racially and economically.

Goal: Promote communities of choice and embrace Rochester's growing ethnic diversity.

Key Recommendations include:

- Improve housing services for the growing immigrant / foreign born population.
- Understand and celebrate the racial and ethnic diversity that comprises the City.
- Update the Community Choice Action Plan.



7. Issue: Many neighborhoods lack the capacity to undertake development or the effective provision of services.

Goal: Create a patchwork of effective and capable community-based organizations that act as partners in their communities' revival.

Key Recommendations include:

- Undertake grass-roots comprehensive plans for neighborhoods to inform investment decisions.
- Create a neighborhood planning challenge fund.
- Support and expand local organizational capacity.

8. Issue: Rochester's amenities are not integrated into community revitalization efforts.

Goal: Build on the City's assets, and promote investments in quality of life issues.

Key Recommendations include:

- Connect housing to the City's rich diversity of cultural amenities.
- Actively use open space as a community revitalization tool.
- Make Rochester's main streets "Main Streets."



9. Issue: Investment programs and other initiatives are often uncoordinated.

Goal: Align City departments and resources to increase synergy, transparency and citizen access.

Key Recommendations include:

- Institute a Rochester housing ombudsman to make projects happen.
- Put the “empower” back into the Neighborhood Empowerment Teams (NET).
- Transform the Advisory Committee for this Study into an ongoing “Neighborhood Council.”
- Ensure access to City data from within City Hall and beyond.

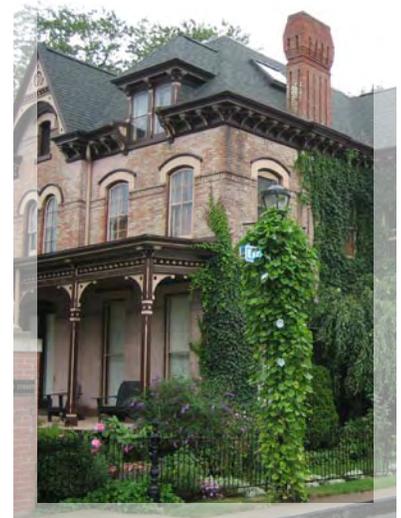
10. Issue: Federal funds have been decreasing for community development.

Goal: Maximize the impact of resources.

Key Recommendations include:

- Re-vamp the City budgeting / allocation process.
- Establish clear (and written) funding criteria for entitlement funds.
- Reconsider the size and number of awards made under the Emergency Shelter Grant and CDBG Human Services programs.
- Strategically focus public dollars determined by an inclusive public process.

The remainder of this document is organized as follows. First, a description of the study process, objectives, and methodology, and housing environment in Rochester is provided to outline the context in which the Study was completed. Second, a brief summary of the findings from the analysis is provided to outline the basis from which the goals and recommendations were created. Third, an overall vision for the Study is provided that informed the determination of appropriate goals and recommendations specifically for Rochester. Finally, detailed information on each goal and recommendation and specific action steps is provided.





“The best city in the world in which to live and raise a family.”¹

II. Introduction

Nestled between the Finger Lakes and Lake Ontario, the City of Rochester offers a unique and varied environment with a strong sense of history, place, identity and innovation. These characteristics distinguish the City both regionally and nationally. Rochester has evolved from a flour mill town into an innovation center that serves as the heart of a region and as a location for internationally recognized corporations including Eastman Kodak, Xerox and Bausch & Lomb. From the “flour city” to the “flower city,” Rochester’s communities have been creatively transformed through each era of the City’s history, merging a strong grass-roots spirit with public guidance. Today, faced with limited regional growth yet a renewed interest in downtown living, Rochester is at a strategic point in its continuing evolution.

The City-Wide Rochester Housing Market Study explores the many facets of Rochester to develop a comprehensive neighborhood and housing strategy to guide and coordinate the activities of City agencies, non-profit organizations and private stakeholders. The City of Rochester and its partners must put their best foot forward in an environment of limited and decreasing funds. All of Rochester’s communities have the potential to be vibrant, diverse and healthy given the right mixture of thoughtful public, private and community investment and leadership.

While understanding the depth and breadth of the local housing market is a major objective of this study, the work presented in this document and the previously completed Analysis represents much more than a market study. It was recognized early on that any market study must be placed in the proper context to understand the full range of challenges that inhibit the City from meeting its full potential. Housing markets for all income levels are greatly impacted by a complex mix of policy, socio-economic trends, physical conditions, economic development, and public and private investments. This Study provides a comprehensive framework through which to ‘see’ the City and its many possibilities.

¹ George Eastman quoted in “Rochester in Retrospect and Prospect.” [Rochester History](#). Eds. Blake McKelvey. July 1961, Vol. XXIII, No 3.



This Study is guided by the following objectives:

- To assess the depth and breadth of the housing market for the entire City. This study includes an evaluation of the potential market for different types of neighborhoods including downtown.
- To evaluate housing activities in context of other initiatives, investments and programs. This is a neighborhood strategy.
- To create an approach for the maintenance and development of housing for all income levels.
- To maximize the public and private financial and organizational resources available to improve neighborhoods.
- To coordinate resources in areas that will reinforce existing neighborhood assets and leverage both public and private financial investment.
- To synchronize the activities of housing, economic development, public improvements, programs and other services.
- To establish benchmarks on which the City and its partners can measure the revitalization progress in different neighborhoods.

The work of Interface Studio LLC, the lead consultant for the study, and its team was guided by an Advisory Committee comprised of public, private and non-profit housing partners active in all aspects of Rochester's housing environment. The City's Department of Community Development, through the Bureaus of Housing and Project Development and Planning, managed the Study and providing technical assistance. Information on the Advisory Committee and the full analysis is available on the website specifically created for this project – www.rochesterhousingstudy.com.

This is a unique undertaking. Although many cities are completing housing studies of one kind or another, few have sought the comprehensive approach and public outreach requested in this Study. The commission of this work is a testament to the foresight, creativity and optimism of local stakeholders to change the current dynamics in the City of Rochester.



NEED FOR THE CITY-WIDE ROCHESTER HOUSING MARKET STUDY

The need for the City-Wide Rochester Housing Market Study was identified by a wide range of local stakeholders and leaders who felt it was time to recalibrate the City's housing policy and investments to the challenges and opportunities facing Rochester today. The impetus for undertaking the work is grounded in the following observations:

- The last City-wide market study and housing strategy was completed in 1988. Since that time, Rochester's housing market, the amount of funds available, and the tools accessible to undertake revitalization have all changed dramatically. In short, we are working within a significantly different context than two decades ago. A new framework is needed to capitalize on existing and developing opportunities and to adequately address current challenges.
- Rochester is firmly planted within a slow-growth region. Upstate New York exhibited the third lowest growth rate nationally at 1.1% between 1990 and 2000.² Yet, from 1982-1997, 425,000 acres were urbanized.³ Out-migration from the City – a continuing stream of people moving to the suburbs – is only exacerbating increasing vacancy rates and an undervalued housing market. New policies must be considered to stem some of that out-migration to rebuild neighborhoods that have continued to lose population.
- An influx of new market-rate development has emerged within Rochester for the first time in decades. There is measured optimism regarding what this means for downtown, the City and its neighborhoods. Questions about the depth and breadth of the market are on the tongues of many City leaders, private investors and community groups. A thorough assessment of the City's market potential is a first step to setting realistic goals for the future.
- Despite the new market interest, Rochester has not benefited from the national housing boom that has transformed other cities. A significant counterbalancing trend of growth in some areas to counteract the continued disinvestment in some neighborhoods did not occur in the City, thus furthering negative trends. Cities like Rochester must carefully align resources and foster partnerships to add vitality to a soft market.
- Disinvestment in some neighborhoods is threatening to spread. Once vibrant communities have been feeling the stress of growing vacancies, lowered market values and increasing poverty. These “transitional” areas require thoughtful revitalization strategies before they fall victim to more entrenched issues that necessitate greater financial resources to address.
- Rochester needs tools to measure progress. Although much time and effort has been spent in reinvesting in neighborhoods across the City, no process is in place to evaluate the cumulative impact of these investments.
- Like many cities of similar size or larger, key stakeholders such as lenders, Realtors, developers, City agencies, service providers and community groups only sporadically coordinate their investments, programs and initiatives. A key objective of this effort is to provide a unifying and coherent framework from which to move forward.

² Pendall, Rolf. “Upstate New York's Population Plateau: The Third-Slowest Growing ‘State’.” The Brookings Institution. August, 2003.

³ Pendall, Rolf. “Sprawl Without Growth: The Upstate Paradox.” The Brookings Institution. October, 2003.

STUDY PROCESS

The first phase of the project involved a thorough analysis of the City and its neighborhoods. The information presented in the City-Wide Rochester Housing Market Study Analysis report was the result of six months of data collection, analysis and discussion. In the Analysis, over 80 different maps and diagrams graphically illustrate the trends in Rochester and measure the health of the City's neighborhoods. This quantitative assessment was combined with secondary, qualitative information to provide a broad perspective of the community based both in facts and in perceptions – how it feels on the ground. Over 100 personal interviews and 7 different focus groups were conducted with City staff, residents, neighborhoods leaders, realtors, bankers, developers and other stakeholders. The result is a comprehensive and objective assessment of the positive and negative trends affecting the City.

This document builds from the Analysis and provides a series of recommendations for consideration by the City, the Advisory Committee, residents, neighborhood leaders and other stakeholders. The objectives, goals and strategies are organized to respond directly to the key challenges identified in the Analysis. In reviewing these strategies, the reader should keep a few important points in mind:

- Housing does not exist in a vacuum. A city must also offer quality educational and workforce development systems, a healthy and diverse economic base, safe streets and communities, programmed open spaces, community-oriented city services and a thriving arts and cultural environment. These are all affected by larger economic, demographic, and regional forces, of which the City must always be aware. The recommendations presented in this document are oriented toward maximizing the housing potential of Rochester while recognizing that housing alone is not the key to a revitalized City.
- There is no magic bullet or one solution. Persistent, coordinated effort in a number of areas will be needed simultaneously. The City and its residents have to prioritize their efforts into a series of short-, intermediate- and long-term goals and actions, i.e. “think big, start small.”
- Government cannot do it alone. Many of the most effective community revitalization initiatives emerged from creative actions in the private and non-profit sectors coupled with City assistance and guidance. While much of this document focuses on City dollars, this is only one piece of a much larger economic puzzle. The successful transformation of this plan into a housing policy for the City will reside in thoughtful outreach and the establishment of partnerships that leverage the knowledge, resources and capacity already available in the community.

The Analysis and this Recommendations document are available on the project website – www.rochesterhousingstudy.com – which also includes a survey that the City will use to gauge housing and neighborhood preferences over time.



III. Summary of the Housing Market Analysis

Rochester has a strong hold on the collective imagination and hopes of its residents. Some residents have lived in Rochester their entire lives. Others have returned to Rochester after having lived in other cities. All of these residents cite Rochester's distinctive natural environment, diversity of neighborhoods and cultural attractions – the quality and extent of which are rare for a mid-size city – as key assets and reasons for living in the City. This is the Rochester that the Advisory Committee, the City staff and their partners need to build upon to further cultivate the City as a destination for all individuals and families.

The Analysis identified a number of challenges that stem from the City's long-term population losses and slow market growth. Like many older core cities in the upstate area, the City of Rochester has struggled to maintain its economic base in the face of significant employment contraction in its core industries, and the loss of families, commerce and retail businesses to the lower-density suburbs surrounding the City. At the same time, the City offers a unique collection of assets that can be built upon to foster a stronger market environment. To understand this dynamic and the impact it has on the future of the City, the Analysis evaluated both the market potential and the challenges that impact Rochester's neighborhoods.

Market Potential

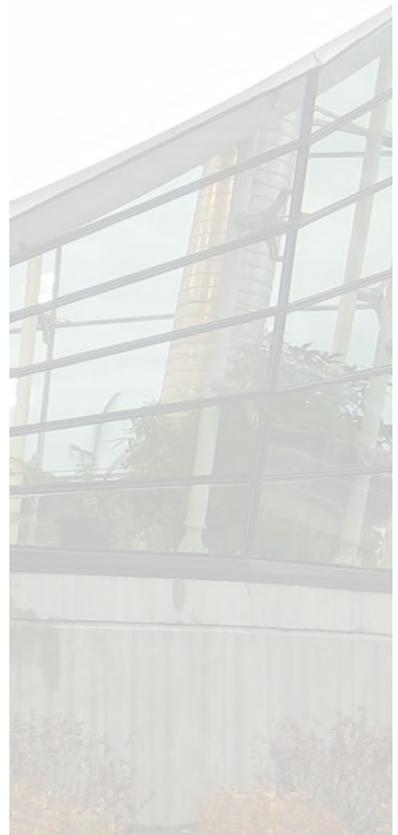
A core premise for the City of Rochester should be that it is just as important to retain current residents as it is to attract new ones. The market analysis assessed the depth and breadth of the market for newly-introduced housing units—created both through the adaptive re-use of existing non-residential buildings as well as through new construction—in the City of Rochester and in five representative neighborhoods. The potential market for new and existing housing units includes those households already living in the City and those households that are likely to move into the City if appropriate housing options were available.

City-wide Market Potential

An analysis of Monroe County migration and mobility patterns from 2000 through 2004 showed that the County experienced net migration losses to other counties in the region, net migration gains from numerous New York State counties outside the region, but overall net migration loss to elsewhere in the United States.⁴ More than a third of the net losses for Monroe County were attributable to out-migration from the City of Rochester.

Even though net migration information provides insights into a city or county’s historical ability to attract or retain households compared to other locations, it is those households likely to move into an area (gross in-migration) that represent that area’s external market potential. In 2004, Wayne, Ontario and Livingston Counties together accounted for nearly 20 percent of in-migrating households into Monroe County and the City of Rochester.

As determined by the target market methodology, the annual potential market for new and existing housing within the City is approximately 17,250 households.⁵ Of this potential market, approximately five to 10 percent prefer new dwelling units — either newly constructed or newly developed through the adaptive re-use of existing buildings. Based on a capture rate of five to 10 percent, the market analysis estimated that the City could support between 863 and 1,725 new housing units per year, as follows:



Annual Capture of Market Potential

Housing Type	Income Target	Number of Households	Capture Rate	Number of New Units
Rental Multi-Family (lofts/apartments, leaseholder)	Below Market	3,670	5-10%	184-367
Rental Multi-Family (lofts/apartments, leaseholder)	Market Rate	4,620	5-10%	231-462
For Sale Multi-Family (lofts/apartments, condo/co-op ownership)	All Ranges	2,380	5-10%	119-238
For Sale Single-Family Attached (townhouses/rowhouses, fee-simple/condominium ownership)	All Ranges	1,650	5-10%	83-165
For Sale Single-Family Detached (urban houses, fee-simple ownership)	Below Market	1,410	5-10%	71-141
For Sale Single-Family Detached (urban houses, fee-simple ownership)	Market Rate	3,520	5-10%	176-352
Total		17,250		863-1,725 units

Table 1. Source: Associates, Inc., 2007.

⁴ The most recent migration data available from the Internal Revenue Service is from 2004.

⁵ The target market methodology takes into account household mobility within the City of Rochester as well as migration and mobility patterns for households currently living in all other cities and counties in the United States.





Based on the migration and mobility analyses, and dependent on the creation of appropriate new housing units, up to one-quarter of the annual market capture — from 215 to 430 units per year — could be from households moving to Rochester. Over 10 years, this could mean between 2,150 to 4,300 new households living in Rochester that moved into the City from another location. Moreover, if the remainder of the new units were to be leased or purchased by households that otherwise would have moved out of the City due to a lack of appropriate housing options, the City would begin to reverse the trend of household loss. This demonstrates that the introduction of well-positioned new housing can have a substantial impact on revitalizing and diversifying urban neighborhoods.

The potential market for new and existing housing units in the City of Rochester can be grouped into three general household types as follows:

- Traditional and non-traditional families (41 percent);
- Younger singles and childless couples (30 percent); and
- Empty nesters and retirees (29 percent).



Market Potential in Five Study Areas

The market analysis also assessed the depth and breadth of the market for newly-introduced housing units in Downtown Rochester and in four neighborhoods — Maplewood (northwest quadrant); North and South Marketview Heights (northeast quadrant); South Wedge (southeast quadrant); and Plymouth-Exchange (southwest quadrant).

According to the market analysis, the five study areas have considerable untapped market potential over the next several years for new housing units. Excluding market overlap (i.e., a household will consider more than one neighborhood before purchasing or leasing a housing unit), the combined annual market potential of the five study areas for new and existing housing units is 7,990 households, which represents just over 46 percent of the total annual housing market potential for the City.

For new development (including both adaptive re-use of existing non-residential buildings as well as new construction) within the City and the five study areas, an annual capture rate of between five and 15 percent of the potential market, depending on neighborhood and housing type, is achievable. This means that the five study areas should be able to support a combined 581 to 982 new housing units per year, which represents between 52 percent and 67 percent of the City-wide annual market capture. This is reasonable as it is unlikely that new housing would be introduced simultaneously in every Rochester neighborhood.



Five Study Areas:
 Downtown
 Maplewood
 North & South Marketview Heights
 South Wedge
 Plymouth-Exchange

Annual Capture of Market Potential by Study Area

Study Area	Number of New Units
City Wide	863 - 1,725
Downtown/High Falls	156 - 309
Maplewood	155 - 233
North and South Marketview Heights	65 - 130
Plymouth Exchange	86 - 130
South Wedge	119 - 180
Total	581 - 982

Table 2. Source: Zimmerman/Volk Associates, Inc., 2007.

New housing, when targeted to the appropriate markets, can exert a significant influence on where households settle, as well as how many will move to or remain in the City of Rochester.



Market Context

To realize the market potential for the City, the context that affects where new housing will be located and what type of housing is built must be considered. In short, the market potential identified in the market analysis is not self-fulfilling. An understanding of the City’s characteristics and the challenges contained therein provides the framework for the overall strategy. This basis, grounded in the realities found in Rochester, allows for the approach to be specifically tailored to the unique facets of the local housing environment.

The analysis of Rochester’s housing environment examined all of the primary elements of the housing system within the City, such as regulations, policies, funding sources and housing programs. This was supplemented with an assessment of socio-economic trends, the physical character of the City, the development process, capital investments, and other community investments such as the non-profit community development environment. The main key findings are:

- The City continues to lose more residents than it gains. Much of the population loss is due to a re-shuffling of households from the City to the surrounding suburbs. If this trend continues, Rochester could have fewer than 75,000 households by 2026.
- The existing housing market in the City is uneven. Recent downtown development has spawned additional housing proposals that promise to change the perception of inner city living. Aside from downtown, some neighborhoods are competitive and, at times, outpace even the County’s best housing markets. However, as the housing market grows in some neighborhoods, it has steadily dropped in others. The low value of homes in these areas has fueled a cycle of deterioration, including increasing vacancy rates, higher crime rates and a diminishing level of services and amenities.



Rochester’s neighborhoods are home to a vast spectrum of existing conditions.

- Although the City leadership and their partners are focused on increasing homeownership rates, they have been unable to significantly increase the homeownership rate, which currently stands at 40 percent. Conversely, the intense focus on homeownership means that few programs and resources are dedicated to assisting landlords and tenants. This is particularly critical given that the undervalued housing market has created a large pool of “accidental” or “reluctant” landlords who are unprepared for the actual cost and maintenance of managing a rental property and how to be good property managers.
- Even though Rochester is frequently identified as an affordable place to live, half of all renter households are paying more than 30 percent of their income for rent. Newer

rental units are unaffordable to many households unless the units are subsidized or the household has a Section 8 Housing Choice Voucher. This means that for lower-income rental households housing choices are frequently constrained, to older units in converted structures, which are more likely to have housing quality issues.

- Of the 17 upstate counties, Monroe County is considered the most competitive for State housing resources. To compete effectively in this funding environment, the City of Rochester is perceived as being ‘progressive and strategic’ in how they allocate resources to make local projects as competitive as possible.
- While subprime and predatory lending are increasing nationally and in Rochester, Rochester homeowners are particularly vulnerable because of an unforgiving real estate market with low appreciation. Racial disparity in subprime lending doubly impacts low income, minority neighborhoods.
- Increasingly, Rochester real estate activity in lower income neighborhoods is foreclosure-related. Although foreclosures in Rochester are a subject of great concern by City leadership and their partners, not enough resources are available to adequately address the full extent of the problem.
- Rochester’s street pattern, while unique, is extremely disconnected. The City is connected by only a few main streets which funnel the majority of traffic into downtown. These streets divide strong housing markets from weaker ones. The isolation of some neighborhoods represents significant reinvestment challenges. Compounding these issues is the continued decline of commercial services that once lined the main corridors of the City. Once vibrant ‘seams’ between neighborhoods, these streets now negatively impact the surrounding communities.
- Rochester’s existing housing stock is limited in terms of type, density and design. There are many historic homes and neighborhoods that are valuable assets for the City. However, as market preferences have changed, Rochester lags behind other cities in terms of offering a wide range of housing types to choose from. This is particularly true for people with disabilities. In an older housing market, meeting “Universal Design” principles is difficult, and few funds are available to address accessibility issues.
- In the interviews and focus groups, participants frequently mentioned the lack of communication and coordination among different departments within the City. This is only exacerbated by the City’s decentralized approach to establishing its funding agenda – individual departments receive their allocation of funds and then determine individually how and where resources are utilized. The lack of inter-departmental coordination also results in delays for some projects seeking approval.
- The effectiveness of City initiatives to connect citizens with government is viewed as falling short of its potential. Primary obstacles include the lack of organizational capacity at the neighborhood level and the variable knowledge and quality of City staff assigned to key functions.
- The allocation and expenditure of federal entitlement funds received by the City are driven by long-standing policies that do not necessarily reflect the needs and priorities of Rochester today. The amount of funds available continues to decrease, challenging the City to reconsider how funding decisions are made so as to maximize the impact of these diminishing resources.



Top & Center: Diagrams illustrating the east-west and north-south street patterns. Bottom: Rochester’s existing housing areas.

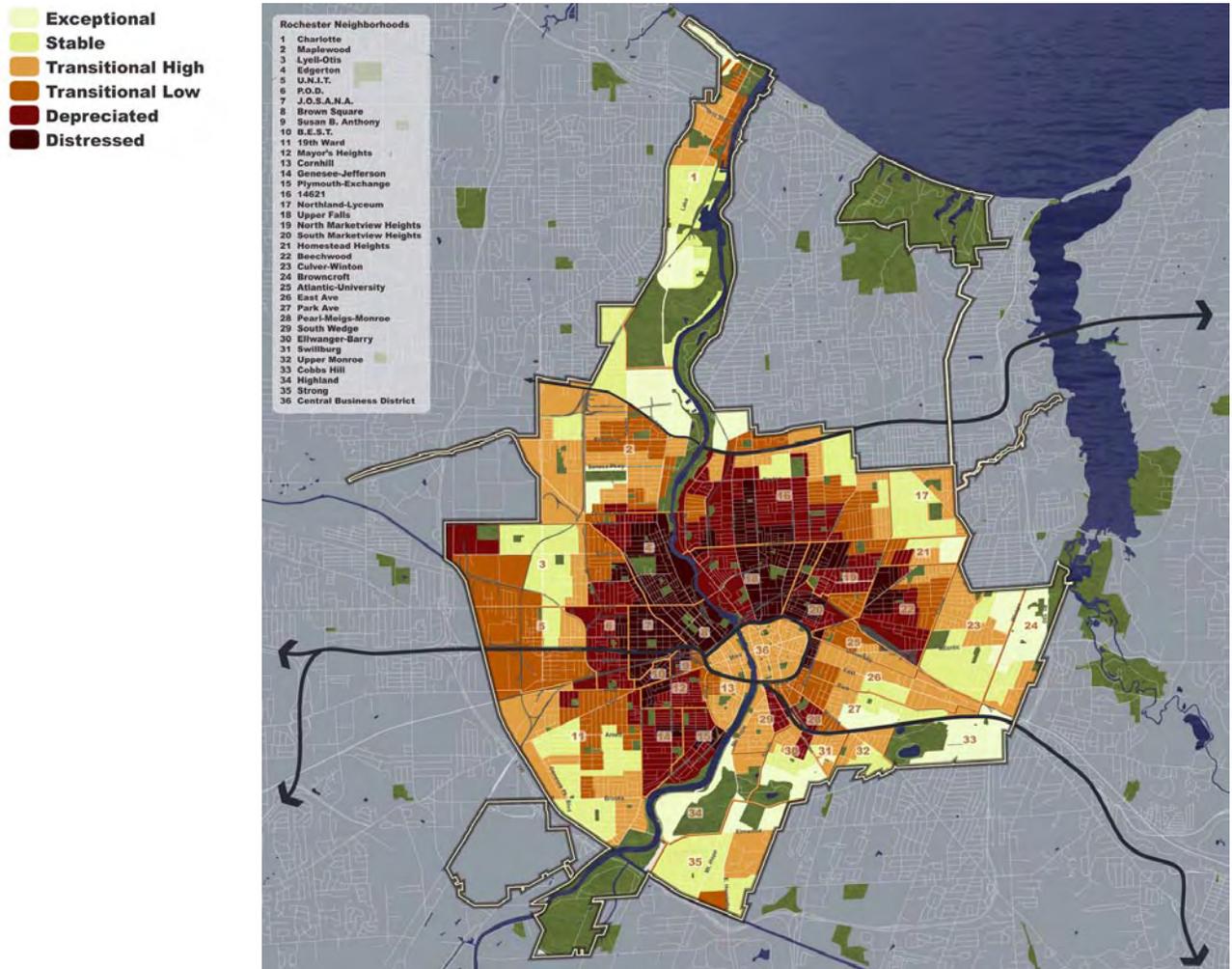


Figure 1. 2006 Neighborhood Classifications. Source: Interface Studio

Neighborhoods by the Numbers

Beyond an understanding of the overall housing environment in the City, the housing strategy should be attuned to the subtle variations found within and across neighborhoods. Every neighborhood is distinct and, as discovered in cities across the country, taking a one-size fits all approach often does not yield the desired results. A major objective of this Study has been to analyze the data in ways that can identify micro-trends and move away from broad labels such as the “crescent” that over generalizes the extent of the challenges. A major component of the analysis was to provide a way of measuring neighborhood characteristics that would provide a window into both their market challenges and potential.

Using Geographic Information System (GIS), a Neighborhood Classifications map was generated for the Analysis that categorizes Rochester neighborhoods into six neighborhood types. The classifications were based on eight indicators - housing assessment; code violations; vacancy rate; crimes against persons; crimes against property; building permits, homeownership rate; and household income. All of the indicators used 2006 data. This map, included above, combines all eight indicators into one data-driven map. The Neighborhood Classifications map is a summary of general trends only and represents one snapshot in time. The City should only use this map as a benchmark of key data. The map and underlying data sets should be updated regularly to measure trends and the impact of investments.

While the Neighborhood Classifications map created for the Analysis is useful as a benchmarking tool, data alone cannot account for the qualitative factors that determine where people choose to buy or rent their homes. Prior to developing the recommendations in this document, the Neighborhood Classifications map was updated to account for the “on-the-ground” perspective of each neighborhood. Specifically, the Classifications were adjusted based upon the general block condition as determined by a physical survey completed during the analysis phase of this Study. This updated map – Observed Neighborhood Typologies (provided at right) - should serve as the basis from which to determine investment priorities as this Study moves toward a new housing policy for the City.

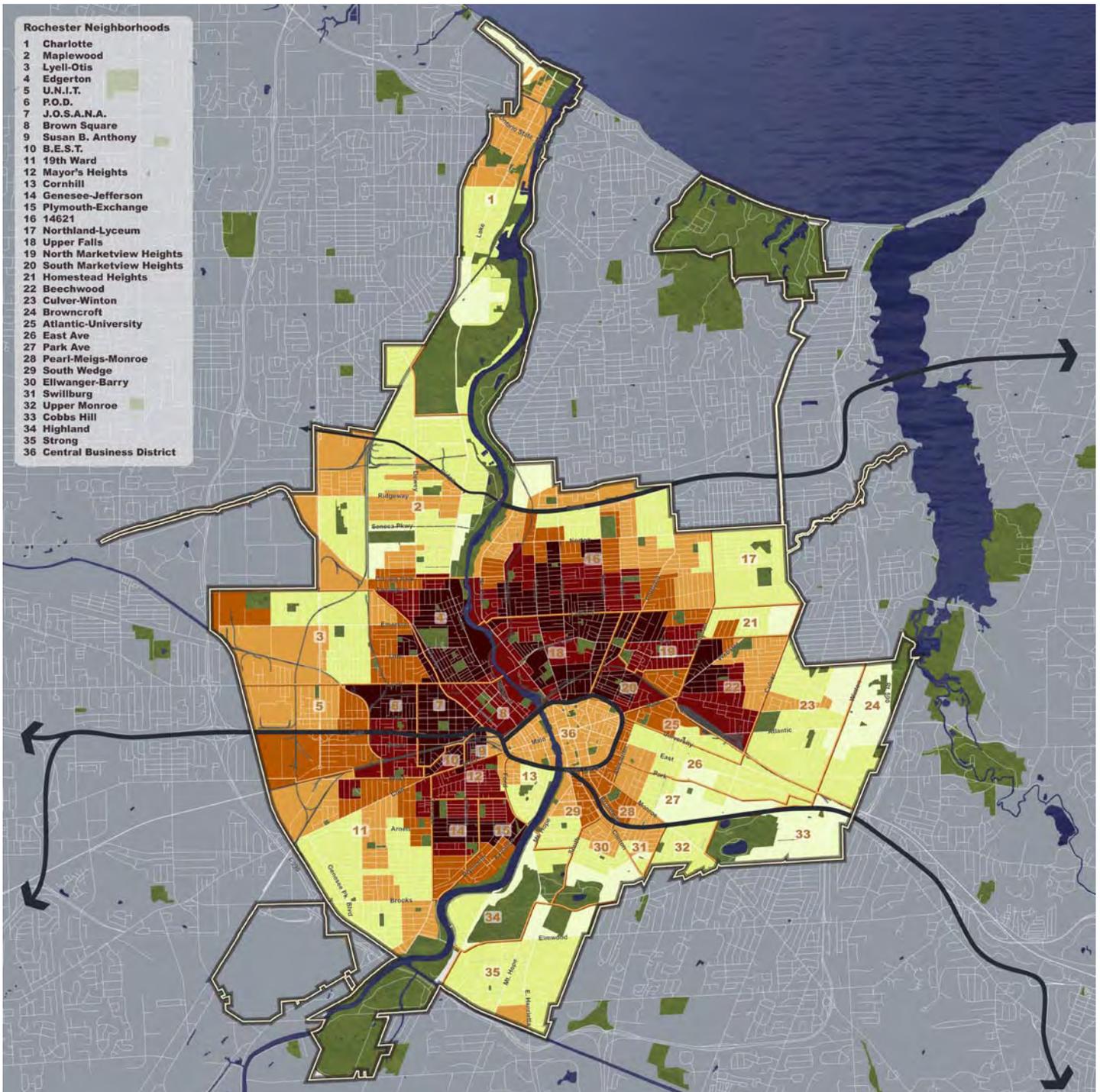


Figure 2. 2006 Observed Neighborhood Typologies. Source: Interface Studio

The Observed Neighborhood Typologies analysis serves two inter-related purposes:

1. To provide a relative measure of neighborhood health vis-à-vis the City as a whole and other neighborhoods, and
2. To enrich the decision making process regarding where investment should be focused and what types of activities are necessary for different neighborhood types. **The Observed Neighborhood Typologies is not on its own a statement of policy.** More detailed study at the neighborhood-scale is required to develop specific action strategies that recognize variations in the housing environment.

The six neighborhood types described in the Observed Neighborhood Typologies map include:

- **Exceptional** – Neighborhoods with high sales that compete favorably with even the most attractive of locations in Monroe County. Many of these areas represent some of the City’s most unique architecture and have been minimally impacted by the disinvestment trends that have impacted much of the City.
- **Stable** – Often older neighborhoods encompassing a diversity of architecture, “Stable” neighborhoods have long posted competitive sales prices and remain attractive locations in which to live. Low vacancy rates and a low occurrence of code violations and crime contribute to the continuing success of these areas.
- **Transitional High** – Appreciating neighborhoods due primarily to recent investment and decreasing vacancy rates. These areas are characterized by limited vacancies and slightly greater share of code violations and poorer sales trends than stable areas. While “Transitional High” neighborhoods often hold promise to become truly stable, many are equally vulnerable to decline without sustained action by the City, community groups and their partners.
- **Transitional Low** – Areas with higher vacancy rates, more turbulence in terms of the number and value of sales, and higher crime rates that may indicate a downward trend. Overall, without attention, many of the ‘Transitional Low’ areas risk falling further into decline and negatively impacting the surrounding neighborhoods.
- **Depreciated** – These neighborhoods exhibit significant and overlapping issues from vacancy and high crime rates to low home values and a diminishing level of commercial services. Many of these areas represent high proportions of both renters and families living in poverty.
- **Distressed** – These neighborhoods have experienced the worst impacts of physical and socio-economic decline. The long-standing disinvestment trends have fostered deeply ingrained social, economic and physical issues that are difficult to address with new housing construction. A strategic and long-term investment approach is required for these areas to slowly build a market.

Understanding the City through the prism of these typologies is but one way to better align the limited public resources with relative need. However, for any investments to change the dynamic of the City’s neighborhoods and begin to shift some of the “Depreciated” and “Transitional” areas to “Stable,” a comprehensive and thoughtful housing policy that addresses today’s issues and opportunities must be in place.

IV. Vision and Approach

Rochester evolved organically as a blanket of single-family homes extending from a dense downtown. While the underlying structure of Rochester's urban form remains today, the nuts and bolts of each community has changed substantially since the mid-1900s. Rochester's "shrinking city" status has partially emptied some neighborhoods of households. On the other hand, recent market trends indicate a growing appeal for urban living focused on downtown. In an era where continued shrinkage is coupled with measured optimism, a very difficult question emerges for the City's future – should Rochester be "right-sized" to fit the present day reality or should the City plan for growth?

"Right-sizing" the City entails some very difficult decisions regarding the future provision of infrastructure. To simply "turn off" parts of the City does not recognize the value and commitment that many individuals and families have made in those communities. Alternatively, planning for growth entails a fundamental belief that the trends of the past 50 years are temporary and wholly reversible.

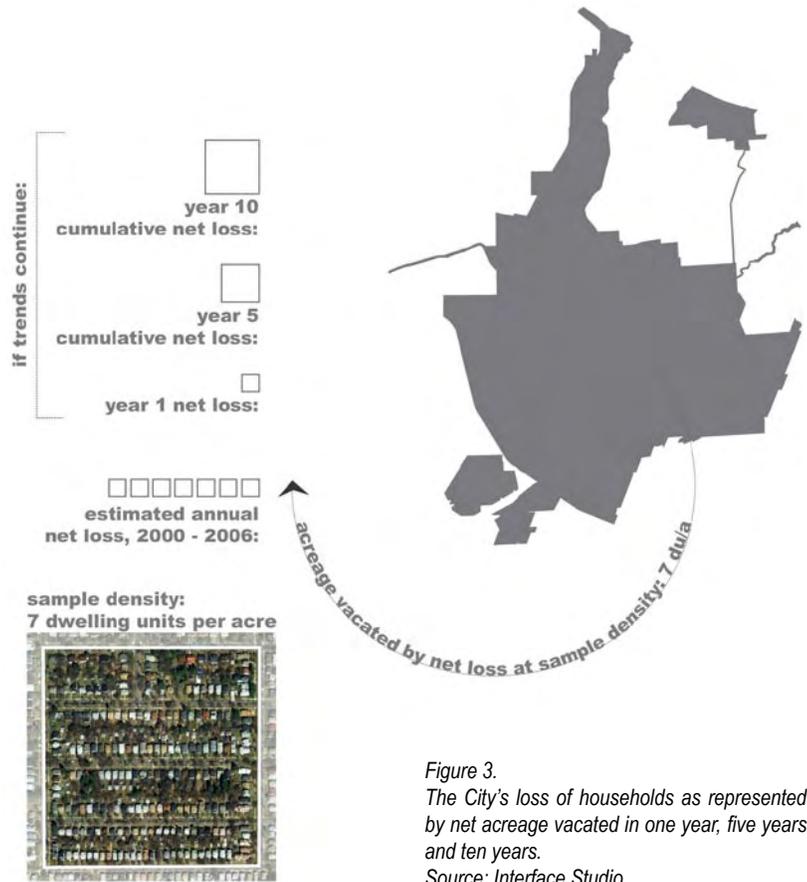


Figure 3. The City's loss of households as represented by net acreage vacated in one year, five years and ten years. Source: Interface Studio

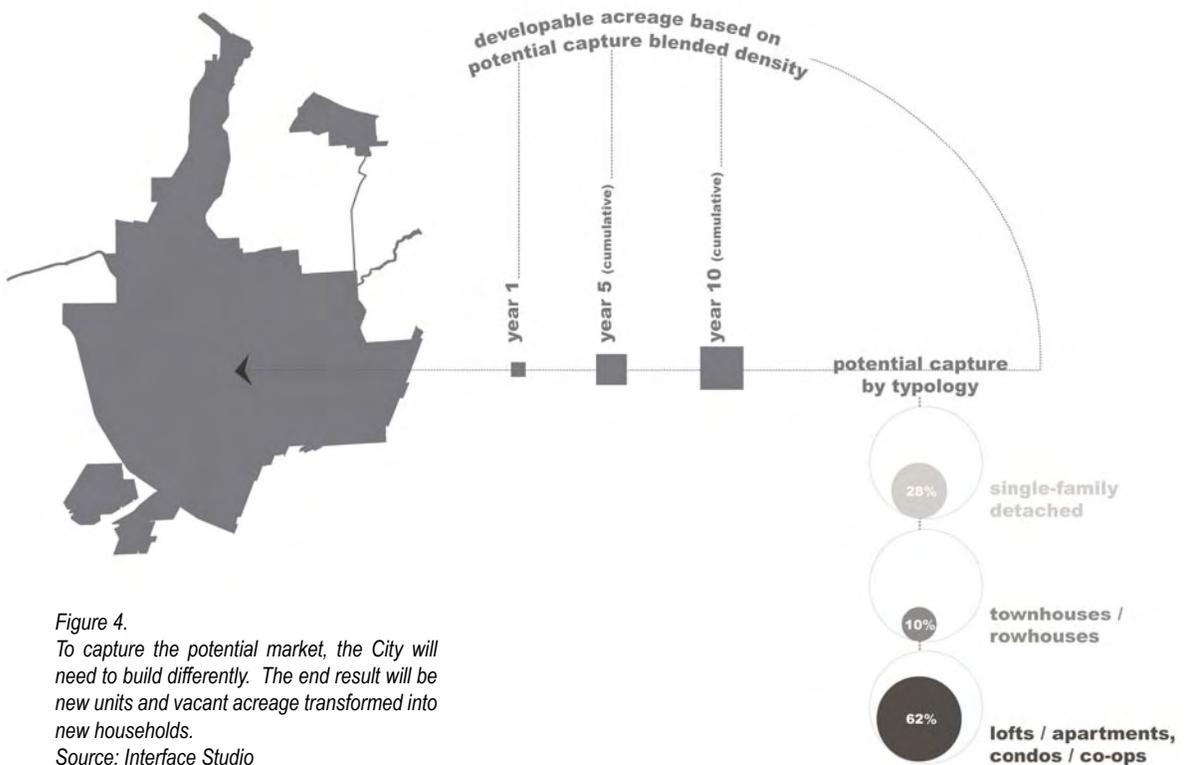


Figure 4. To capture the potential market, the City will need to build differently. The end result will be new units and vacant acreage transformed into new households. Source: Interface Studio



Although change has not been kind to many neighborhoods within Rochester, future change should not be feared but rather embraced. Generational shifts and new and evolving household types are changing market preferences beyond recognition from what we have been familiar with for decades. A growing number of small and alternative households are choosing dense, urban living. Immigrant families are concentrating in inner cities and re-populating formerly vacant blocks. At the same time, the lure of the suburbs remains, which in a slow growth region will always negatively impact some inner city neighborhoods. For these reasons, the future of Rochester's neighborhoods may take on characteristics that, at times, are very different from much of the current environment. Rochester's future will rest in the ability to creatively accommodate both shrinkage *and* growth.

This approach envisions a City comprised of a patchwork of different densities, housing types and mixes of use. On the one hand, traditional neighborhoods will be supplemented with new areas of housing that exhibit a density and activity to maximize Rochester's urban advantages. On the other hand, neighborhoods with long-standing market decline will embrace their lower densities as a point of pride, offering ready access to large lots and a network of green space. Enhancing all neighborhoods demonstrates the City's commitment to invest in people, through programs, financial assistance and services. The result will be a quilt of density and choice for families of all income levels.

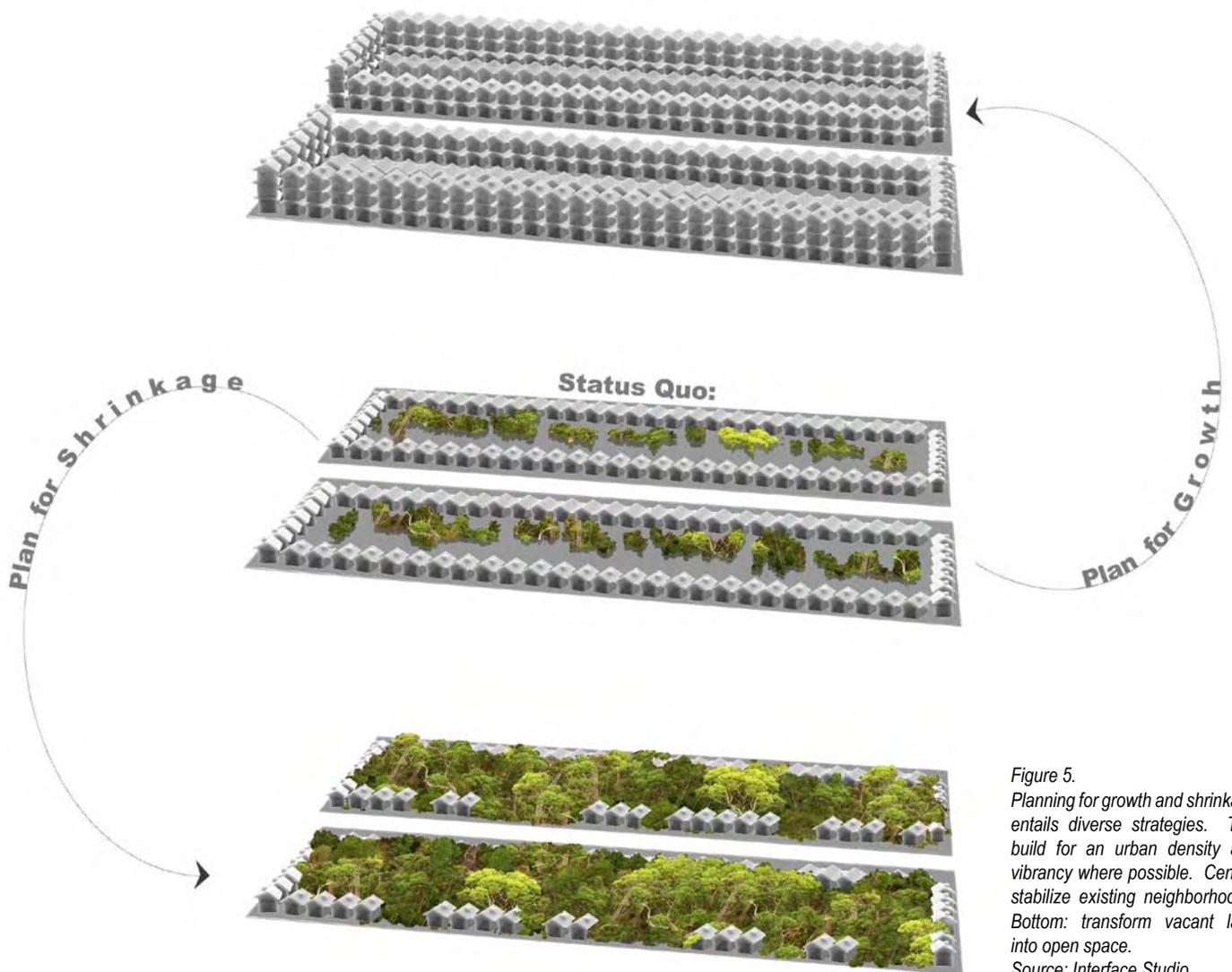


Figure 5. Planning for growth and shrinkage entails diverse strategies. Top: build for an urban density and vibrancy where possible. Center: stabilize existing neighborhoods. Bottom: transform vacant land into open space. Source: Interface Studio

To accomplish this vision, Rochester needs to be proactive in building its future. This plan – **Build Rochester** – is an effort to set the stage for a reinvigorated community. At the heart of the plan is an emphasis on listening to the people. Without the support and effort of local residents and neighborhood organizations, this effort will not reach its full potential.

Build Rochester is based on a series of cross-cutting themes. These cross-cutting themes serve as the foundation for what the City should aspire to become. They emerged directly from our data analysis and, more importantly, from discussions with a wide array of stakeholders that are working to improve the City's future.

1. **Build Value** – New investment should build value for the City, its housing and residents.
 - The City must capitalize on its unique urban value including cultural amenities, walkable neighborhoods and a diversity in architecture. The urban amenity of the City forms the foundation of its future market potential.
 - An innovative City must be expressed in a wide range of housing types and designs that stand the test of time.
 - Environmental value should be reinforced through green design both at the scale of the block and neighborhood.
 - The existing and new housing stock should be of value for the widest array of families and residents.
 - Equity must be fostered and protected for existing landlords and homeowners.

2. **Build Connections** – Rochester's commitment to being "One City" requires that its neighborhoods and residents are meaningfully connected physically, socially and economically. Connections should be forged on multiple levels:
 - Commercial corridors should be re-envisioned to once again bind neighborhoods to one another.
 - Transparent linkages must be made to City services and programs. The City's residents should have a clear understanding of what assistance is available.
 - New investments in housing and other uses need not stand in isolation. New initiatives should leverage and reinforce these investments.
 - Capital should be readily available for projects that further the goals of the City and its partners.
 - City departments should be coordinated and working in unison around common goals.
 - Breaking down class and racial barriers is essential to a new vision of Rochester.





3. **Build Diversity** – Rochester should embrace its increasing diversity as a centerpiece of its future.
 - Rochester should focus on welcoming and integrating new immigrants into the City’s neighborhoods and workforce.
 - Socio-economic diversity through well-conceived mixed-income development should be actively pursued by the City and its partners.
 - Rochester’s neighborhoods should offer a diverse palette of choice in terms of housing, density and amenities.

4. **Build Capacity** – The home of Susan B. Anthony spawned a long-standing grass-roots movement in the City. For Rochester’s neighborhoods to truly evolve, capacity must be enhanced on multiple levels:
 - Through neighborhood groups – serious attention needs to be paid to elevating the activities and independence of community organizations.
 - Through merchant’s associations – as commercial corridors are recognized as the battlegrounds of neighborhood decline and revitalization, new organizations are needed that coordinate marketing, fund raise and manage these corridors.
 - Through planning – true grass-roots planning helps to build capacity.

5. **Build Image** – Rochester must be viewed internally and externally as an attractive, vibrant and economic hub for the region.
 - Pride must be instilled in residents and businesses about every neighborhood.
 - The City and its partners need to build confidence that the City is poised to experience a long-lasting and sustainable revitalization.
 - The characteristics that make the City a unique place to live – arts, festivals, parks and music – should be aligned with community revitalization efforts.

The specific goals and recommendations described in this document were developed to exemplify this vision with the recognition that it will take actions from the City and its partners working in unison to achieve real results.

The remainder of this document is organized around ten issue areas identified through the Analysis. Each issue is accompanied by a goal and set of recommendations. The sum total of the recommendations serve to amplify the vision and cross-cutting themes described above while providing Rochester with a foundation for setting a new housing policy for the City.

V. Recommendations

This planning process has emphasized that all strategies need to be aligned with a theory of change that is grounded in the facts. This housing study and analysis provides the factual framework to develop new ways to view Rochester's challenges and thus, new approaches. We recognize that some of the recommendations are not "new" to Rochester. The overall intent is to amplify the positive initiatives while identifying new strategies to fill the gaps where necessary.

The recommendations are organized under a number of distinct but inter-related goals that directly respond to key challenges identified in the analysis. Strategies for consideration by the City and its partners accompany each goal.

1

Goal:

Position Rochester to lead the way in smart solutions to upstate problems.

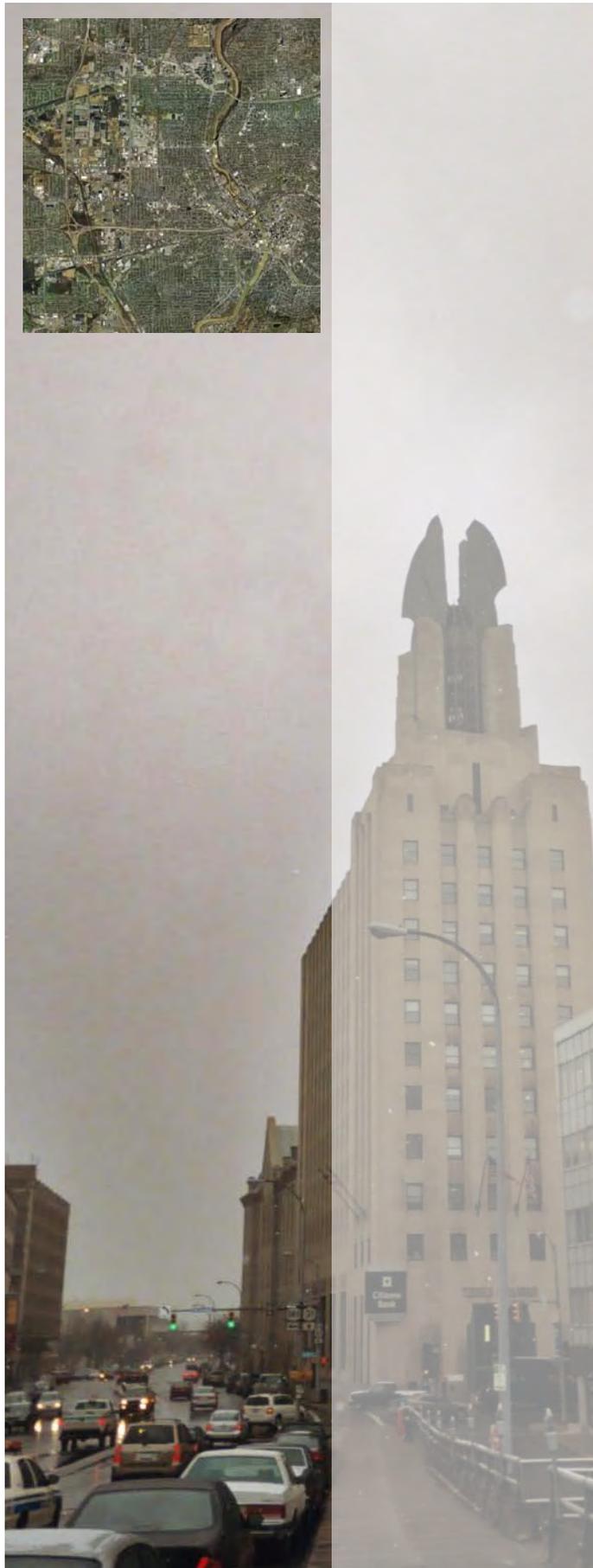
Rochester's regional challenges are well documented. Within a slow-growth region people are being siphoned from the City into Monroe County and beyond. Between 1990 and 2000, Monroe County's population grew by 6.9 percent, excluding Rochester, while the City's population declined by 5.1 percent. In 2005, sales in Rochester represented only 22 percent of the County-wide total, and new home construction building permits represented just three percent. While the immediate impact is the loss of population, the re-shuffling of households has other critical impacts on the future of both the City and the region:

- There is a disconnect between the location of jobs and affordable housing;
- The oversupply of housing threatens not only established Rochester neighborhoods but also established towns in the County;
- Investment in infrastructure is often haphazard and public transportation is difficult to fund and maintain adequately for a dispersed population base;
- Towns and cities often compete for economic development dollars and jobs rather than coordinating to improve the competitiveness of the entire region.

Rochester can do many things to improve its own competitive position, but coordination at the regional and state level is necessary to address the full range of issues impacting the City's neighborhoods. The City will need to continue to find and rely on outside public and private funding sources for many of its neighborhood stabilization and development efforts.

Issue:

Rochester has lost population and is located in a 'slow-growth' region.



Recommendations:

1.1 Rochester should lead the way.

With a new emphasis on the upstate region, position Rochester to lead the way in upstate revitalization. The housing analysis gives Rochester a head start on identifying strategic issues that affect all upstate cities. Other cities that have undertaken a wide ranging analysis have utilized this enhanced knowledge and understanding as a means to lobby for additional outside dollars and generate a broader perspective on the importance that cities play in their regional economies. Taking the lead on development and the upstate economy will further cement Rochester's role as a leader in collaboratively tackling challenges that cannot be addressed by going it alone.

Specifically, Rochester should take the lead to:

Leverage outside resources for neighborhood stabilization and development.

In the course of our analysis, we were continuously impressed by the City's effectiveness in capturing the limited State, federal, and private resources that have been available. Rochester continues to be a leader in taking advantage of the programs and funding that are available and, with the election of a new governor, is well positioned to continue these efforts. Governor Spitzer has given new energy and direction to the Empire State Development Corporation to focus on upstate New York. Unshackle Upstate, a coalition seeking legislative reform that will help revitalize the upstate economy, is actively pursuing a comprehensive agenda. While these are all positive signs, priorities specific to Rochester and other central urban communities need to be developed and advocated for as well. These could include additional Brownfield funding, focused investment for existing developed areas (i.e. smart growth), and regional approaches to employment, housing and transportation including tax equity between cities and suburbs.

Create a statewide coalition to lobby Albany on smart growth issues.

Many states and regions have non-profit organizations specifically designed to lobby the State government on smart growth. The 10,000 Friends of Pennsylvania for instance, tracks State policy decisions, lobbies representatives for dollars oriented to smart growth and actively tracks and promotes efforts to build a more sustainable environment. Over the past decade, Rochester has been engaged in smart growth issues. As Rochester organizes to address the issues identified in this study, further support and assistance should be sought from other cities and non-profit organizations to create a coalition that will help each municipality and County more effectively direct development and plan for infrastructure.

1.2 **Strengthen regional connections, cooperation and planning.**

Rochester's trends are impacted by external issues emerging from regional development trends. Because the region comprises many townships and overlapping government representation, it has been difficult to effectively organize efforts to tackle specific issues. To foster a sustained dialogue about the challenges facing the region, a plan is necessary that elicits the issues and themes that cut across political lines.

Rochester and Monroe County should undertake a joint comprehensive plan to further coordinate policies and resources regarding transportation, infrastructure, affordable housing, homelessness and economic development. The process should engage surrounding counties and develop a stronger working relationship with the State government to help move the plan to reality. City / County comprehensive plans have been successfully completed in many slow growth regions including Fort Wayne, Indiana and Louisville, Kentucky. The primary objective in Rochester and Monroe County is threefold:

- Create a unified database of information that describes regional trends;
- Develop a unified vision for the region's future and coherent set of policies that can be utilized by multiple government entities; and
- Create an action plan that identifies priority projects and responsibilities for moving them to reality.

Undertaking this type of plan can be an enormous and complicated effort. Success must be ensured through a full commitment from both the City and County to devote resources and time to this effort.

1.3 **Promote Rochester as the vibrant, urban center of the region.**

The market assessment completed for this study indicates an untapped potential for Rochester. The region expanded as the result of Rochester's economic success and, despite the challenges in the upstate economy, Rochester remains a vital and unique center that can capture a share of the market that is moving within and to the region. To fully support this potential, Rochester must continue efforts to market the City as the hub of the region, highlighting the amenities and attractions of the City.

The City government has already sponsored efforts to promote the City through multiple formats. City Living Sundays, as well as the proposed City Living Center, promote living and buying in the City in a manner similar to the approach used by cities like Baltimore. Rochester has also supported the creation of an on-line presence that discusses the best of what the City's neighborhoods have to offer including www.MovingtoRochester.org and www.RochesterCityLiving.com. In an age of information, marketing will play an increasingly important role in every city's effort to remain competitive. To supplement these efforts, Rochester should explore the following:

Expand the successful City Living Sundays into a permanent program through the proposed City Living Center.

Designed to market the City and its neighborhoods and provide a central location from which information about available housing programs can be obtained, the City Living Center (CLC) can provide the one-stop shop for homeownership in the City. The CLC should provide the linkages to assistance and incentive programs, and education/counseling opportunities available in the community.



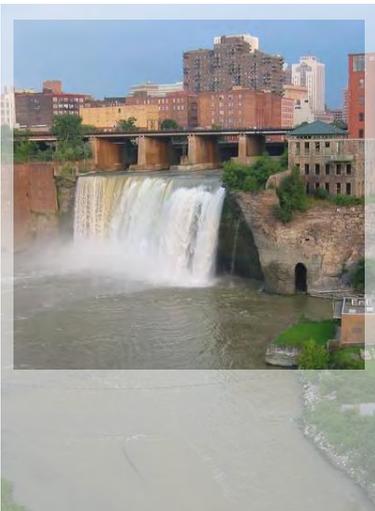
Develop a comprehensive list of neighborhood websites and offer web-design assistance to communities without a web presence.

Prior to the web-site created for this project (www.rochesterhousingstudy.com), there was no comprehensive list of neighborhood websites. Some of the websites listed on www.RochesterCityLiving.com were outdated, and others were not included. Research was undertaken for this project to supplement the City's list. In addition, once www.rochesterhousingstudy.com went live, the consultants for this study received a slow but steady collection of emails identifying missing websites. The City should collect and maintain a list of neighborhood websites. In addition, in communities where a web presence is limited or non-existent, the City should work with community leaders to create a useful web presence that contains key information about the community.

Create a collection of house and neighborhood tours that market different eras of the City's growth.

Rochester is rich in history. Some neighborhoods have capitalized on this history through events and festivals. The City has also stepped in to promote its housing stock through the City Living Sundays initiative. However, there are many areas that could benefit from an increased awareness about the City's architectural and neighborhood history. Through foundation grants, the Rochester Regional Design Center and Landmark Society could further market existing tours and research and organize new tours focused on different eras of the City's growth. These could include:

- A walk through Rochester's most historic neighborhoods and preservation districts;
- A tour of Rochester's industrial legacy including both the Erie Canal and the High Falls Brewery (taste tests could bring additional participants);
- A tour of Rochester's private and public gardens; and
- Downtown tours.



Source: Albert R. Shore Negative Collection, Rochester Museum and Science Center

Consider hiring a media liaison to promote the City.

Years ago, the City of Atlanta hired a public relations consultant to promote the ‘Atlanta brand’ for the Olympics. Today, it is not uncommon for cities and regions to place advertisements in national magazines and on public radio in different states. In terms of maximizing the use of the media, few cities have seriously pushed their message the same way a corporation does.

When marketing the City, Rochester should think nationally and internationally. The “Rochester Made for Living” Campaign coordinated by the City, Monroe County and the Visitors & Convention Bureau represents an important first step in marketing the region and serves as a solid foundation from which to further market the City and its assets. To expand this effort, the message needs to be effectively communicated through a variety of media. These include:

- Placing advertisements in national magazines that reinforce the message of the City as vibrant and urban;
- Plugging the City’s events and other amenities through on-line blogs and other forums;
- Creating a Rochester MySpace page; and
- Creating and distributing advertisements via public radio.



Source: Greater Philadelphia Tourism Marketing Corporation, <http://www.gophila.com/>

A media liaison will be needed to coordinate this type of long-term and sustained effort. Their role would be to work closely with City leaders, regional commerce and economic development organizations, and tourist associations to reinforce and augment the existing efforts already underway.

Reach out to local corporations with a national and international presence.

Rochester is the home to multiple nationally known brands. From Kodak and Xerox to Western Union and Bausch & Lomb, the City and region have a long history of innovation. Although their local presence has diminished in terms of employment, many of these corporations are internationally recognizable. Rochester should work closely with these corporations to help get the message out about the City and its innovative spirit. “Made in Rochester” is the theme under which the City should explore a greater awareness of its regional influence and drive.

As a start, Rochester should approach Wegman’s to help market Rochester’s history through their stores nationally. Wegman’s already recognizes and values its historic relationship with the City through information on their website. The idea is to extend this recognition of the store’s roots through photographs or other informational material in each store.



Figure 6.
The City should seek ways to capitalize on its corporate exports through a “Made in Rochester” theme.
Source: Interface Studio

Issue:

Market development is hampered by lack of confidence in the depth of the market.

2 Goals:

Build confidence in the public, private and non-profit sectors that Rochester can and will improve.

Support and sustain the current development momentum, creating a strong residential and mixed use market in downtown. Prime expansion of this market to the neighborhoods.

Rochester has long been one of the nation's slowest growing metropolitan areas in terms of housing price increases. The recent national housing boom did not significantly impact Rochester from a market-rate housing perspective, as the City missed the wild speculation and price increases experienced in other cities. As demonstrated in the Multiple Listing Service data from the Greater Rochester Association of Realtors, the City's median sales price rose 7% between 2001 and 2005 while Monroe County's jumped 15%. Some portions of the City have experienced a continued drop in housing value with median sales prices below \$25,000 in 2005. The low-market value coupled with population loss and a declining homeownership rate has greatly affected confidence in the City's housing market.

Despite these challenges, some neighborhoods, most notably downtown, have posted new sales and a marked increase in market activity over the past few years. While encouraged by a strong market for downtown development, lenders and developers are watching sales, rent and economic trends carefully.

To maximize the market potential for Rochester, a proactive development environment is necessary. The City can play a strong role in fostering this environment through the acquisition of land, environmental remediation of Brownfields, and provision of soft capital to support projects that promise to bring long-term value to the City. A key aspect to building this local confidence in the market is to ensure that downtown's revitalization is a model of local success that can be leveraged throughout the City.



Recommendations:

2.1 *Renew Rochester's housing stock with new residential products that address market demand.*

With the focus on smart growth and increased awareness of energy conservation, cities nationally are poised to finally capitalize on their existing infrastructure, density, cultural vibrancy and gateway status. Rochester's numerous cultural, educational, medical, historical and natural amenities provide a platform for revitalization. The City should continue to focus on downtown as a hub for development in Rochester. Downtown revitalization is the centerpiece for the stabilization of the City's residential market and the core of regional stability. The current pipeline of projects is an encouraging sign of the strength of the downtown market. The Rochester Downtown Development Corporation (RDDC) and the City should continue to court and educate developers, lenders and appraisers to sustain the private positive markets positive investment outlook.

Encourage large-scale development.

It is absolutely critical that the City embrace large scale development (of 200 units or more) in strategic locations where private interest can be obtained and the resulting product has a positive impact on the surrounding communities. All efforts to build at this scale should actively encourage the development of "urban neighborhoods" characterized by higher densities and a mix of uses and incomes. Sites such as the Kodak parking lots, High Falls or the Culver Road Armory are opportunities for infusing the City with a burst of vitality and market confidence. To reap the benefits of large scale development, however, the City must develop an RFP process that will attract interest from both within the City and outside the region.

All efforts to develop projects of scale must also account for the needs and issues of the communities in which they are located. Newcroft Park is a good example of success by providing a new product at a neighborhood-appropriate scale. Large scale development does not mean ignoring necessary infrastructure improvements or overlooking infill sites that might be best suited to smaller, local developers. The City should proactively map smaller sites and plan for infill uses as a part of each development master plan.



Encourage more mixed use development.

Mixed use development with retail has begun to create downtown neighborhoods with appropriate services to support the residential component. This needs to continue and expand in downtown and also along the City's commercial corridors. Achieving a critical mass of population is necessary to attract key services such as a grocery store downtown. At the same time, without certain services, residential development can stall. Continued careful integration of market analysis, economic development planning and additional incentives for retail development can continue the positive trend in Downtown and expand it to other neighborhoods. City infrastructure investments and design guidelines aimed at fostering mixed use projects can create a platform for this type of development. Retail may need temporary gap fillers and support as the market builds.



Source: Rochester Downtown Development Corporation

Explore opportunities to encourage live / work developments in downtown and emerging markets.

Developments designed to accommodate both living and working space take many forms and can respond to the needs of many niche markets. These developments are, by definition examples of mixed use and go a long way toward establishing the critical mass necessary to form a unique urban neighborhood. In some cities, live/work developments have been the catalyst needed to create a downtown neighborhood, while in others, affordable live/work rental housing preserves the affordability of living downtown while adding to the vitality of a downtown neighborhood. Rochester is in a solid position to experiment with the concept of a technology business incubator developed on the live/work platform. The City should identify a pilot project and reach out to local universities to gauge the interest for a new type of product.

Ensure parking is readily available to support the development of residential and retail uses.

Providing parking is often an expense that hinders a potential market. In downtown Rochester and surrounding areas, parking should be coordinated such that parking is shared across uses and developments. This is an activity many cities are taking the lead to address as a form of public investment intended to generate new development. A parking plan for downtown is currently underway. The results need to play a strong, proactive role in furthering the private market.

Embrace mixed-income projects in the stronger market areas.

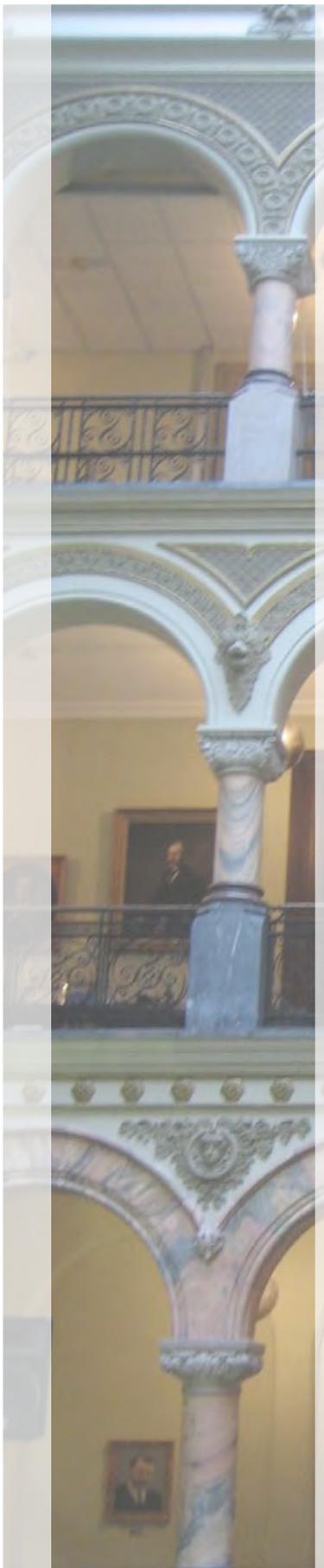
Market rate housing downtown is a key component of Rochester's revitalization. Access by lower income families to housing opportunity in this renaissance is critical to making Rochester 'One City.' City resources used to encourage downtown development are more easily justified when all Rochester residents can participate. Financial modeling of the appropriate mix of incomes and additional resources as necessary will help the City to develop realistic policies that advance the social goal without chilling the market. In the downtown market, additional market rate development is balancing the existing mixture of affordable and market in the downtown area. Tracking to insure that the balance does not tip too far toward exclusion is important.



Source: Rochester Downtown Development Corporation



Source: Rochester Downtown Development Corporation



2.2 Encourage new development through an effective permitting process.

Rochester's development process is documented in a pdf file and downloadable from the City's website. To fully transform the permitting process into a user friendly experience, Rochester should create an on-line tool that provides a project-specific development road map. Chicago's Permit Wizard asks users to enter an address and relevant information about the development to which a comprehensive set of requirements is provided for obtaining all permits including all relevant forms.

Rochester should also establish clear timelines for each step in the permit review process and be accountable for meeting those timelines. To determine a reasonable timetable for review, the existing review process will need to be tracked. Through this process, an average review time will be determined for each step in the process. As reference, Baltimore has committed to review and either approve or reject 100% of all permits within 30 days. To check the City's progress and fine-tune the process, Rochester should annually publish key indicators regarding permitting activity and response times. Linked to both of these efforts to improve permitting, the City should also consider creating a development ombudsman to guide developers through the City process and cut red tape (see 9.1).

2.3 Capitalize on the City's "Eds and Meds" through strategic partnerships and joint investments.

Rochester's density of quality education and medical institutions is unique. They draw residents from outside the region and are nationally renowned. In many cases, however, those that work or study at these institutions do not live in the City. Rochester needs to be proactive in creating partnerships with local institutions that create synergies between students, knowledge workers and local housing. The market assessment indicates a strong potential for urban living if the right product is available in the right location. Building market-rate and mixed-income housing in concert with investments and other activities with these institutions should be a priority for the City. Rochester should identify a point person within Community Development to engage universities and hospitals, review their development plans, and discuss their long-term needs. The City should also explore partnerships with local universities and colleges specifically for community development with the goal of generating assistance from local faculty and students for small businesses, education, or the arts.

2.4 Strategically utilize Development Resources to support market growth.

Rochester developers and the City have been skillful in utilizing state low income housing tax credits and other state and federal development resources for affordable housing. Tax abatements and other tools for market housing can be supplemented with a variety of resources, including new financing models, to support development.

Utilize New Market Tax Credits and Historic Tax Credits for commercial corridors, arts and cultural space.

These resources are already utilized by sophisticated developers but could have more impact and range when combined with additional City resources; newer developers may need technical assistance to understand and access these complex tools. City resources should encourage and support projects of sufficient scale to leverage these resources.

Create a financing mechanism to encourage new market development in emerging market areas.

Lenders are understandably conservative in underwriting in new residential markets where there are insufficient 'comps' to justify developers' rent and sales assumptions. While construction and permanent loans are available, they may not be sufficient to cover project costs. This contributes to a financing gap for new development in key neighborhoods including downtown. Low income developments rely on competitive sources of public equity like low income housing tax credits to fill the gap; market developers require other options. The City should identify sources of equity and soft loans to fill this gap for market developments from both City sources and civic partners like businesses and medical and educational institutions with a stake in a healthy city market. Guarantees for portions of the cash flow or sales, or lower interest, short term, subordinate loans until cash flow or sales are established, can build confidence and help create financial viability for pioneering downtown developments until the market gels.

Re-evaluate the benefits of the City and State tax abatement programs versus Tax Increment Financing (TIF) for larger scale developments.

Work with the development community to assess the relative benefits of TIF versus tax abatement in their financial structuring and examine in which circumstances creating a TIF district may be warranted. TIFs should be explored as a means to support large, mixed-use development projects. These projects frequently need a significant improvement in infrastructure to support higher densities and a mix of uses.

2.5 Create a Housing Trust Fund.

Rochester housing advocates have called for the creation of a Housing Trust Fund to flexibly fund local priority projects. The Trust Fund could be a source of funding that can, in limited cases, provide assistance without regard to income in order to stabilize or jump start a market or attract middle income homeowners. Examine sustainable funding resources to capitalize the Trust Fund with a dedicated income stream. Other localities have used deed stamps or other real estate transactions to produce income for Trust funds. Once in place, the City should consider focusing some Trust Fund proceeds for affordable housing downtown in mixed income developments.

2.6 Assemble sites for large scale development.

The City has been helpful where developers identify parcels of interest. The City has been proactive in tracking and inventorying of city-owned parcels. This type of planning should continue, and the City should look for opportunities to acquire key private parcels and focus resources to help developers plan for larger scale developments throughout the City. The City should maintain and market a pipeline of developable parcels to spur interest rather than respond when a developer is interested. RDDC has a key role in convening developers and the City in longer range planning for market development sites. Outside of downtown, city planning should map and inventory key sites and be alert for site assembly opportunities for scalable development.

2.7 Expand Brownfields recovery by lobbying for new State and Federal resources and providing technical assistance to developers on mitigation and insurance innovations.

Rochester is well positioned by its experience and success in Brownfields recovery to lead advocacy efforts to lobby for more public support for Brownfields efforts. Links between City planning, infrastructure, site assembly and Brownfields recovery should be continued and enhanced. Developers must be part of the conversation. Rochester developers are experienced in Brownfields development but continue to need resources and technical assistance.



Issue:

Rochester's housing stock does not meet the full needs of today's individuals and families.



3 Goal:
Reinvigorate the City's neighborhoods with a greater range of housing typologies and design to fully capture market potential.

The majority of Rochester's housing stock (47.5 percent) is single-family, and only 4.5 percent of housing in Rochester was built since 1980. This combination of an aging housing stock with a limited range of housing products available brings specific challenges in the context of changing market preferences. People looking for new units have little to choose from in the City. Declining household sizes and an emphasis on young renters have spawned the conversion of many single-family homes into multi-unit rentals. In all cases, the modern amenities renters or homeowners are seeking are often not as readily available as in homes built in the suburbs.

Nationally, our housing market for the past half century was based on the traditional family – married parents with kids – which resulted in a boom in single-family detached homes mostly in suburban areas. However, a growing number of families are looking for different housing options beyond the standard single-family detached home. Interest in single family homes on smaller lots, townhomes, apartments, lofts and condominiums have all spiked within cities. This trend is also applicable to Rochester where only 29 percent of the potential market prefers single-family detached homes. The remaining 71 percent are looking for more density and choice to accommodate the needs of non-traditional households such as empty-nesters, young couples without children and young singles.

Rochester needs to be proactive in promoting and encouraging a diversity of housing products keeping in mind that housing must offer choice for all families regardless of race, income, age, size or physical disabilities.

Recommendations:

3.1 Build on Rochester's reputation for excellence and innovation.

As urban areas evolve, each generation imprints itself on the city's fabric by constructing new types of housing and new designs. In slow market cities that have seen limited market-rate construction, this process of renewing the housing stock is short-circuited. Instead, the existing housing stock becomes so commonplace that seeing the potential for greater densities and different architectural expressions becomes difficult.

Rochester has begun to tackle this issue with some of the recently built projects in and near downtown. However, as the housing preferences continue to change and the desire for new units remains a guiding force to housing choice, Rochester must offer a much greater range of products to capture the market. The market assessment indicates that Rochester should further encourage the development of new housing types for new segments of the market including empty-nesters, young professionals and graduating students. These include mid-rise apartments and condominiums, lofts and attached townhomes. New units must be designed to accommodate a range of unit sizes recognizing that today's households are not of a one-size fits all generation.

Coupled with an effort to diversify the City's housing stock, Rochester should encourage a renewed commitment to design. Rochester is already home to a number of nationally known

architectural masterpieces including the Unitarian Church by Louis Kahn, the E. E. Boynton House by Frank Lloyd Wright, and the Strong National Museum of Play. The Landmark Society has also played a strong role in promoting the City’s architectural past. As Rochester continues to evolve, its unique architectural diversity and character should be protected with a continued acceptance and promotion of quality and varied designs.

As a “City of Design,” Rochester would set an innovative example in promoting housing designs that blend with the context yet provide a contemporary and optimistic viewpoint of the City’s future. Creativity will be expected and architectural experimentation should be encouraged and appreciated. Columbus, Indiana, for instance, has focused on design effectively by gaining national attention as an “architectural capitol,” and a “dynamic edge city.”

Excellence in design refers to the following broad characteristics:

- Context sensitive site and building design that enhances the local environment;
- Use of quality materials that add value to the community as whole;
- Maximizing natural light through the use of adequate and attractive windows;
- Integration of green building techniques;
- Ensuring that buildings actively engage the street;
- Transparent and active street front facades at ground level particularly for commercial uses; and
- The avoidance of contrived historical references.

Promoting a strong design agenda for Rochester would serve multiple purposes. New homes would add value and interest to the City’s fabric. Contemporary designs would help further promote the City as a creative and diverse environment for artists, young professionals and students. Further, thoughtfully designed “green” affordable homes would help to build pride in the housing stock while reducing utility costs for occupants.

As an initial step in this process, Rochester should promote the new initiative through an international design competition for a specific City-owned site suitable for new development. Operated with a group like the Van Allen Institute, the competition would bring Rochester into international focus and generate a wide range of ideas for new development.



The Unitarian Church (right) and the E.E. Boynton House (right)

Rochester as a “City of Design” should reuse industrial structures for new uses and promote new designs for a new generation.

3.2 Ensure Rochester's future is green.

Decades ago, green or “low impact” development were terms rarely used in the context of design or planning. Green or “low impact” development is oriented toward reducing the environmental impact of development while reducing energy consumption and promoting healthier communities. Utilizing Energy Star appliances and recycled materials, limiting construction waste, effectively managing storm-water runoff and building walkable neighborhoods are the key objectives associated with growing green.

Today, development that is environmentally responsible is expected in a growing number of cities and the initial fears that green development could not be done affordably have subsided. A study in 2006 by New Ecology Inc. and the Tellus Institute found that “green” projects cost, on average, 2.4% more to build but that occupants would save an average of \$12,637 in utility costs over the life of each home. The benefit to the occupants reinforces the larger communal benefits including a reduced strain on local infrastructure and enhanced neighborhood pride that stems from a green and attractive environment. Chicago, now known as the greenest city in the U.S., as well as Boulder, CO; Oakland, CA; Berkeley, CA; Portland, OR; and Arlington County, VA, for instance, all have legislation in place that either requires or promotes green construction.

In 2006, Rochester ranked 21st out of the top 25 Green Cities in the U.S. according to the National Geographic Society's *Green Guide*. This is due largely to a larger percentage of renewable energy than other cities, cleaner air and the existing smoking ban. While Rochester has a leg up on ensuring a green future, much remains to be addressed. Storm-water run-off is an issue in every City where the prevalence of impervious surfaces facilitates the flow of contaminated water and debris into sewers and subsequently into local water bodies. Additionally, the cold climate in Rochester makes energy efficiency extremely important for residents of all income levels.

Rochester should create a Green Building Ordinance that includes the following components:

- Requirements that all new public buildings be built to Leadership in Energy and Environmental Design (LEED) Silver standards;
- Conversion of all City passenger vehicles to hybrids;
- Requirements for green design on City-funded affordable housing developments; and
- Promotion of green design in the private market through a green “checklist” developed and maintained by the City for use by developers.



Examples of green development - pervious paving, swales and green roofs.



Sheridan Homes: a green, affordable housing development in a ‘weak market’ Philadelphia community. Source: Interface Studio

Recognizing that Rochester is faced with market challenges, the City cannot afford to levy new taxes or costs onto development for green development. The approach should be incentive based including some combination of fast-track permitting and tax incentives for specific green improvements. As a part of this effort, Rochester should work with other cities to lobby the State government to offer rebates for solar power and energy efficient designs, following the example of Minnesota, Pennsylvania and New Jersey.

3.3 Develop a brochure on Universal Design including strategies for converting existing structures.

The American Disabilities Act fundamentally changed the way housing is designed and built. Today, there is a national recognition that ADA requirements do not address the needs of individuals throughout their entire life cycle. Universal Design is now a national movement to design for a much broader population.



The most complete research on the subject is available through the Center for Universal Design at North Carolina State University (<http://www.design.ncsu.edu/cud/index.htm>). The Center for Universal Design “is a national research, information, and technical assistance center that evaluates, develops, and promotes accessible and universal design in housing, buildings, outdoor and urban environments and related products. The Center’s work manifests the belief that all new environments and products, to the greatest extent possible, should be usable by everyone regardless of their age, ability, or circumstance.” Rochester should consider consulting with the Center to create a Universal Design brochure specific to the City. The brochure would be intended as a primer on Universal Design to illustrate ways in which existing owners, landlords and developers can effectively integrate Universal Design principles into their homes and how to do so aesthetically. The result of this process should serve as a foundation of a potential Universal Design Ordinance applicable to all new construction. In the interim, Universal Design should be incorporated as part of the City’s design review standards, placing an emphasis on aesthetic access.

While developing the Universal Design brochure, the City should launch an educational campaign targeted toward developers explaining not only what Universal Design is, but also the value it adds to projects and how to build to Universal Design specifications in a cost effective and aesthetically pleasing way. The campaign should conclude with demonstration or pilot projects that incorporate Universal Design.



Universal Design assistance is needed for the existing housing stock to expand choice for families.





Issue:

Disinvestment, vacancy and foreclosure have significantly impacted the market potential of many neighborhoods and threaten to spread to adjacent communities.



4 Goal: Prevent abandonment, prevent further deterioration of the housing stock, stabilize neighborhoods and rebuild neighborhood markets.

Disinvestment and vacancy exist on a continuum of failure. Factors contributing to decline include a finite amount of resources to maintain properties and predatory lending, which strips properties of their equity. In a weak market region with more supply than demand, obsolete stock and a low income population, there is no room for error. Owners are more likely to abandon properties that are not financially viable. Vacant and abandoned property represents a failure on many levels - market failure, lender failure and owner failure combined often with a city's failure to grasp the dimensions and impact until too late. Rochester needs a long-term, sustained, coordinated effort to address the issue on many levels in order to make a difference. A series of strategies, informed by data about the causes and impact of the vacancies and abandonment, will be necessary.

Preventing abandonment before it starts, stabilizing strong neighborhoods, managing vacancy where it has taken hold, demolitions and finally rebuilding a market require different resources, actors and practices. Many best practices are available to guide efforts, but Rochester must have a fuller understanding of the issues, root causes and tools already in place before adopting new strategies. Rebuilding or sustaining a market in a stable, transitional or distressed neighborhood has many dimensions. Crime, schools, and poverty as well as neighborhood condition impact decisions about where to buy or rent homes. However, there are interventions that can help.

Recommendations:

4.1 Use data-driven analysis to develop a toolkit of interventions.

Rochester neighborhoods are at widely varied points on the continuum of distress. Understanding the problem accurately is key to identifying the appropriate intervention. Tools are now available through the data collected in the housing study to assess key indicators block by block and neighborhood by neighborhood. Better data collection on key indicators and objective evaluations of existing interventions can help determine strategic new approaches.

Track foreclosure data.

Foreclosure does not always lead immediately to abandonment, but can lead to disinvestment over a brief period of time. Each foreclosure has a story; by examining the types and trends of Rochester foreclosure data, interventions can be designed to address the problems whether the bulk of foreclosures are new investors or long-term owners. Bottom-feeders have access to Internet search engines to identify homeowners in trouble who still have equity in the homes. The City should be at least as sophisticated in its ability to identify problems brewing in order to reach out to those same owners for intervention. Tracking actual and potential foreclosures can be done in house or outsourced to organizations like the Housing Council with expertise in this.

Improve tracking and analysis of Tax Foreclosed properties.

Create a system for tracking and inventorying tax foreclosed property that is available on the web for planning and analysis by community groups. Track how quickly or often these properties sold at auction come back into foreclosure. Identify patterns in foreclosure data that can inform prevention programs.

Track property flipping to identify patterns of disinvestment and equity stripping.

Monitor to see if Rochester has a problem with equity stripping and illegal property flipping. If a pattern is detected, consider intervention similar to Buffalo's Anti-Flipping Task Force.

Evaluate current infill new construction programs and consider fewer projects of more scale.

The infill new construction program has created quality housing in many neighborhoods and often breathes new life into troubled streets. However, taking the path of least resistance as a short-term approach toward dealing with vacant lots can prevent later, larger scale production that both has the potential to be linked into more comprehensive strategies and have more impact. The community focusing discussion should evaluate the impact thus far of the scattered approach to infill housing and assess its viability for future focused reinvestment efforts.

4.2 Create a vacant property task force.

Rochester has talented advocates and intermediaries who have studied and worked on the problems and are familiar with best practices in other cities. Many good ideas and efforts have been directed toward the problem. With the increase in subprime lending and foreclosures looming, this is the right time for a new look based on data. This can lead to the development of a coordinated approach based on neighborhood typologies. Identifying the cause is the first step toward crafting a solution. By working together, with a clear understanding of the problem based on the data and evaluative tools, key stakeholders from all aspects of the problem can forge an effective coalition to reverse the negative effects of vacancy in Rochester's neighborhoods. Vacancy and abandonment have multiple causes and require a multi-faceted approach that is best developed through a focused effort by a broad task force. Bankers, intermediaries such as Enterprise Community Partners and NeighborWorks, city officials including code enforcement, police and fire, city attorneys, advocates such as Empire Justice Institute, institutions such as the Housing Council, realtors and landlords can all contribute to the analysis and solution. The right group can achieve consensus and political will to craft city ordinances, develop new tools and interventions and provide accountability and monitoring to prevent abandonment and stabilize neighborhoods.

4.3 Support and Expand Education and Advocacy around distressed and vacant property issues and predatory lending.

Sub-prime and predatory lending can be devastating to communities. Proactive education against predatory lending such as the "Don't Borrow Trouble" campaign provides can help arm communities and residents against exploitative practices. At the same time, outreach to those outside of mainstream banking connections and cultural or linguistic minorities should provide information about credit, appropriate loans and financial literacy.





Expand and fund homeowner, homebuyer and landlord education placing emphasis on predatory lending.

While there are currently programs operating in Rochester, they are under funded and not able to reach all of the populations most at risk. The increase in subprime and predatory lending is troubling. The education programs should be assessed, expanded, the curriculums reviewed and the outcomes monitored for impact. Responsible bankers and brokers can be tapped to increase outreach to populations who are most vulnerable to predatory lending: elderly, minorities and single parent households. Alternatives for home repair should be offered as well as financial literacy education and credit repair. Credit unions may be able to take the lead on credit repair outreach. Post-purchase counseling can help homeowners avoid the predatory re-finance lenders who make up the bulk of the predatory lending in Rochester. Post-purchase counseling can also provide information about home repair and maintenance as well as budgeting and tax information to help homeowners sustain their tenure.

Support additional foreclosure counseling programs.

For homeowners and landlords facing foreclosure, there are limited resources and programs available to assist them. Existing and/or new programs need to be created/expanded and a marketing program publicizing the availability of assistance to at-risk homeowners and landlords should be instituted. While homeowners are often hard-hit when foreclosure occurs, many of the foreclosures are investor-owned property. Understanding the nature of the foreclosures, as suggested above will ensure that counseling is reaching the right constituents. Outreach and counseling to landlords facing foreclosure should be available as well as information about appropriate loan products for refinancing and repairs, such as NeighborWorks products.

Work with banks and other entities who own foreclosed properties to develop comprehensive strategies.

Many of the foreclosed properties are bank-held. Assemble the local banks or other holders, based on the information gathered as foreclosure data is tracked, to develop a mitigation plan to avoid the pattern of foreclosure sales and repeated failure. While many of the lenders are not local banks, notice should be served to mortgage holders that the City is serious about enforcing the lender's obligations. The ACA program was successful in focusing attention and resources on the FHA inventory. The additional private inventory of foreclosed property can benefit from a comprehensive approach. Limited resources may prevent similar acquisition and rehab programs, but it is critical to hold banks accountable for taxes, stabilizing property, and planning for responsible disposition.

Work with SONYMA, advocates and banks to design or access products that refinance predatory loans to otherwise bankable borrowers.

Some borrowers can qualify for conventional loans if caught in time. Minorities have been particularly vulnerable to predatory refinance lenders even when they could qualify for standard rate loans. A product that takes the pressure off and gets the owner out from under the predatory terms is an important tool. Some state housing finance agencies have products that include unemployment insurance. As the subprime lending crisis deepens, new products are becoming available. Insure that organizations like the Housing Council are sufficiently staffed to assist clients to access the new loan products.

Continue to be part of and fund advocacy networks.

New York State has strong anti-predatory laws on the books, but enforcement is necessary along with even stronger, more targeted laws to reduce predatory lending. Empire Justice Center is an excellent resource for coordinating efforts.

4.4 Utilize owner-repair programs.

Owner-repair programs to help owners maintain property at a low cost are important if deterioration of the property is pushing owners to abandon their homes. In many cases however, it is low market value combined with excessive debt that forces the owner to walk away. Currently, the only resource available to low-income homeowners is the Lead Hazard Reduction Program. The restrictions of this program limit its use to only those with children under the age of six. The Rehab Rochester program, when operational, was oversubscribed. Because of the limited amount of resources available to fund owner-repair programs, the City should consider various programmatic changes to maximize funding. Examples could include zero-interest loans to higher income-qualified homeowners, restricting the type of rehabilitation work that can be funded, and requiring a match percentage by homeowners to receive the funding. A stable, easy to access source of non-predatory loan capital, combined with technical assistance in scoping rehab work, will help owners, both homeowners and investors, be responsible property stewards.

4.5 Review Code Enforcement Procedures and Data for Impact on Distressed Property.

Code enforcement is always a balancing act between compliance and support. Too tough enforcement without support for improvement can trigger abandonment as nuisance and code violations add up with little hope of improving the property. An analysis of code violations will identify common problems in specific areas or City-wide. Based upon this information, the City can facilitate and/or work with community groups to institute appropriate programs or interventions to address code violations that impact neighborhood stability.





4.6 Strategically demolish obsolete properties.

The City may have to expand its demolition program to address the increases in vacant and abandoned property. It will be important to have consensus with neighbors as to the type of property demolished and the future uses of the land. Demolition plans should be integrated with neighborhood planning efforts and land banking efforts. Properly managed open space, as suggested in Issue 8, can improve the quality of life in the denser neighborhoods.

4.7 Land bank strategic City-owned parcels.

Consider a systematic approach to link planning efforts in key neighborhoods to tax foreclosed properties as part of site assembly. The scattered nature of the tax foreclosed parcels prevents aggregation into larger development parcels. While efforts to get the properties back on the books quickly are admirable and raise income for the City, these efforts prevent the consolidation of a number of parcels together to build scale. Staff is responsive to holding back property for current development projects but the City is not as proactive about actively identifying areas to land bank for future development efforts. Working with community groups, key vacant city-owned parcels can be assembled as part of a land banking effort to hold property for development when the market improves.



4.8 Create incentives to encourage buyers to choose City neighborhoods.

Design and market loan products and other incentives that respond to the emerging market. Make low interest loans available to owner-occupants without income restrictions, for renovation of historic or good quality older stock. Many weak market cities are encouraging investment without regard to income for homeowners. Remove income restrictions in poverty census tracts. To accomplish this, the City may need a less restrictive source of funds than CDBG or HOME like the Housing Trust Fund described above. The goal is to increase economic diversity in the neighborhood; but it is important to recognize the potential negative side of gentrification for existing residents. Build in circuit breaker tax relief for existing residents and plan to focus rental assistance for existing residents to ensure that existing residents benefit from any market uplift.

4.9 Offer tax abatement on improvements.

Tax abatement should be reevaluated for its effectiveness, location and marketing strategy. This tactic is being used but may need to be marketed more aggressively as part of a coordinated campaign to support and encourage investment and upgrading. Philadelphia, prior to its housing boom, offered a city-wide abatement on improvements to spur market investment. Following the trend of many other cities, the tactic has proven to be one effective tool to help encourage investment in the housing market. It should be noted that the City already offers a series of tax exemptions which are included in this document's appendix. These exemptions should also be evaluated in the context of this discussion.

4.10 Re-design and more aggressively market employee assisted housing loans.

Employee assisted loan products are available but may not target assistance deep enough to overcome reluctance to invest in city neighborhoods. Work with potential buyers and employers to understand the true barriers to city living and where the incentive tipping point is.

5

Goal:

Recognize the importance of landlords and rental housing to neighborhood health and sustainability by providing support and accountability for city landlords.

Despite City efforts and incentives to promote owner-occupancy, the homeownership rate in Rochester is falling. At the same time, the rate of investor and landlord owned property is increasing as homeowners sell to investors, investors buy formerly owner-occupied housing in tax or bank foreclosure or owners, who cannot sell, become landlords by default. Landlords make up one of the largest small businesses in Rochester and yet public policy has largely ignored the needs of this constituency. While it is easy to vilify landlords or let investors 'sink or swim', it is in Rochester's interest to understand and support this segment as a part of its neighborhood stabilization strategy.

Stronger, more intact neighborhoods, maintained by responsible landlords provide a healthier platform for homeownership to take root. Rochester will need to have a dual approach to landlords and investors. One is to hold them accountable to be responsible owners; two, is provide them with the support needed to achieve success.

On the renter side, affordability of rental housing continues to remain a significant issue in Rochester despite the overall affordability of the City. Based upon data from the 2000 Census, in 1999, 50% of all renter households in Rochester were paying more than 30% of their income for rent. Of even more concern is the fact that, in 1999, 29% of all renters were paying more than 50% of their income for rent. Efforts to increase the supply of appropriately priced rental units, whether through capital or State / Federal rental subsidy should continue.

Recommendations:

5.1 Find out what Rochester can do to support good landlords.

Convene landlords, investors, the Rochester Housing Authority, tenants, the Housing Council and NeighborWorks among others in a Rental Housing Quality Summit. Review City policies that affect rental housing and landlord/investor relations. Replace the present patchwork of programs of compliance and enforcement that offer little support or resources, with a proactive set of policies to improve the rental housing stock. This will require a multi-pronged approach that includes loans, technical assistance, code enforcement policy, tenant screening and education, and tax foreclosure sales policy. A key element will be to understand the different characteristics of owners operating and managing rental property and establishing appropriate programs and interventions based upon this assessment.

5.2 Consider establishing a City Rental Center.

The City Rental Center would be established to provide resources and technical assistance for landlords and tenants. This could be run by an organization like the Housing Council with City support. An expansion of the Housing Hot Line and rental clearing house should be considered. The City Rental Center could also maintain a centralized list of available rental units that includes information such as bedroom size, geographic location, rent and utilities, acceptance of shelter payments and Section 8, accessibility features, proximity to transportation, shopping, and local schools.

Issue:

Rochester is a City dominated by rental housing.





5.3 Develop loan products that work for small landlords.

A stable, non-predatory source of rehabilitation funding is necessary to prevent deterioration of the stock and help landlords responsibly maintain their property. The City should increase resources available to landlords and consider partnering with a not-for-profit group with experience in working in this area. A loan pool to which the City contributes may be more effective than a new City program. To appeal to landlords, the product should be streamlined, minimize paperwork and not impose additional income restrictions. Landlords may initially be reluctant to participate as they often see bureaucracy as a burdensome intrusion. Marketing and technical assistance will improve the utilization of the product.

5.4 Encourage more scale of rental property ownership for more effective management.

Many landlords own only a few properties and do not have adequate resources to manage them effectively. Consider a series of strategies to achieve a critical mass of rental units for professional management. Develop a program with non-profits to buy property from reluctant landlords in order to develop the scale necessary for feasibility. This can be linked to landlord loan programs that may be expanded to include an acquisition program.

5.5 Promote professional property management services for small scale landlords to access as part of an Economic Development program.

Tenant screening, accounting, and maintenance functions may be outsourced to new neighborhood businesses created to meet the demand for professional management services of small landlords who do not have the scale to provide these services themselves. A business plan will determine the scale necessary to support a new business program.

5.6 Monitor the sales of City tax foreclosed property to investors.

The City should integrate data collection on tax foreclosed properties with other property indicators from code enforcement and police to see the impact of out-of-state investor ownership. The City's new program for Bulk Sales to Investors requires prequalification to ensure financial ability and monitors the quality and pace of the rehabilitation work before completing the sale. This program has promise to improve the quality of investors working in Rochester but must be monitored closely for impact and sustained improvement in the quality of the stock sold by the City.

5.7 Evaluate the existing lead-based paint program and re-design to maximize participation by landlords.

The existing lead program operated by the City is marginally utilized by landlords. The City, working together with existing landlords, should evaluate the barriers to participation and make programmatic changes as needed. For landlords whose units fail the lead-based paint inspection, follow-up regarding what happens to these units would be helpful to understand the impact of the lead ordinance and the resulting outcomes. This is especially critical given the expansion of the geographic area affected by the lead ordinance.

5.8 Raise the Shelter Rental Allowance.

Organize a coalition with Monroe County and other counties in upstate New York to lobby Albany for increases in the shelter allowances received by households on public assistance.

5.9 Work with the RHA to match project-based Section 8 with good landlords; increase FMR if warranted.

Linking good tenants with predictable cash flow is a key to improving the rental stock. Section 8 is a powerful resource that is well used in Rochester and could do even more to improve the existing rental stock. Linking it to a new landlord loan program could have a positive impact. Boston has a consolidated RFP that includes housing authority Section 8s that are awarded in conjunction with other City capital resources for housing improvement.

5.10 Continue to financially support and pursue the creation of affordable housing opportunities in mixed-income environments.

Based upon current rental population characteristics, rents targeted to households at 50% AMI or even 40% AMI are unaffordable to a significant portion of the low-income rental population. Therefore, the City may want to consider a greater amount of subsidy to fewer units, whether new construction or rehabilitation, to enhance the affordability of these units. This greater subsidy can be linked with the supportive service requirements to enhance the self-sufficiency of tenants. RHA should also continue to pursue new allocations of Section 8 Housing Choice Vouchers as they are made available by HUD. To the greatest extent feasible, these new affordable housing opportunities should be co-located with unrestricted housing development to promote mixed-income living environments.

5.11 Prepare and plan for an aging population.

Spanning both rental and homeownership, Rochester needs to be cognizant of the aging of its existing population and ensuring that the mechanisms are in place to address their housing needs. These aging in place initiatives include community design, housing, regional land use and development, and transportation. For homeowners, programs may include the availability of home repair and home modification programs, eldercare services, and counseling on reverse mortgages to allow these elderly individuals to remain in their homes as long as possible. For renters, the City must ensure that there are sufficient quality housing options for older individuals, including independent living, assisted living, and nursing homes. These options must span all affordability levels critical to retaining this population in the City. More generally, promoting principles like universal design in all new construction and a comprehensive and effective public transportation system will promote the greatest access for seniors as they age in place.



Issue:

Rochester is a segregated City, racially and economically.

6 Goal:

Promote communities of choice and embrace Rochester's growing ethnic diversity.

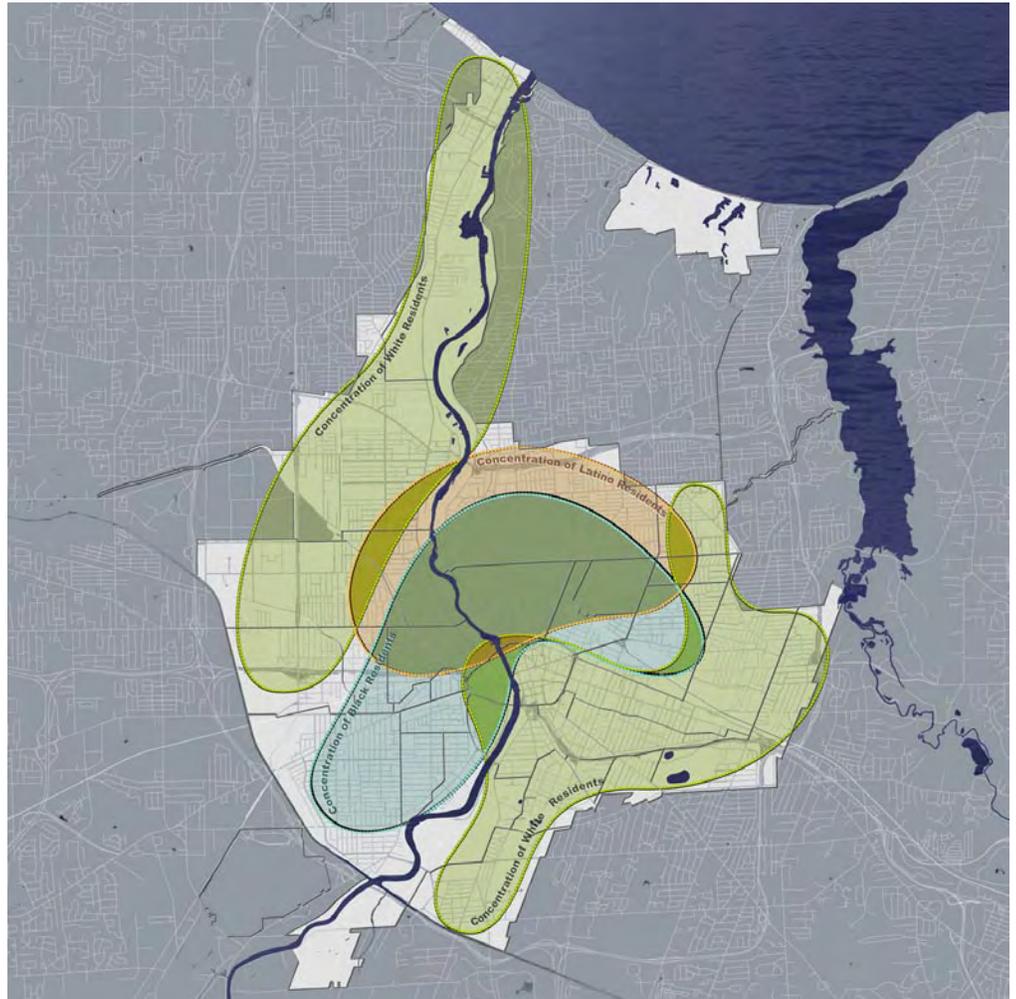


Figure 7. Approximate concentration of ethnicities in Rochester. Source: Interface Studio

Rochester is an increasingly diverse yet segregated city. In 2000, the average white resident lived in an area that was 62% white. Rochester ranks 45th nationally in terms of white / Latino segregation. With an increase in foreign-born residents, further segregation is probable, as 1 in 5 households in some neighborhoods are “linguistically isolated.” Regionally, Rochester is the primary repository for affordable housing opportunities. A spatial review of the demographic characteristics of the City demonstrates that these affordable housing opportunities are even more geographically contained within certain areas of the City. As a result, residents experience very different “Rochesters” depending upon one’s race and ethnicity, income level, housing status, age, disability, and level of mobility.

Recommendations:

6.1 Update the Community Choice Action Plan in tandem with Monroe County and the Towns of Greece and Irondequoit.

In 2005, the City of Rochester and Monroe County (in conjunction with the Towns of Greece and Irondequoit) separately conducted updates to the 1995 Analysis of Impediments to Fair Housing Choice (AI). Addressing fair housing choice is a regional issue that is more effectively done in partnership versus isolation. Even though two separate updates were conducted, the City and County should reconnect their efforts through jointly updating the Community Choice Action Plan developed in 1998 based on the 2005 updates. The Housing Council, a key player in executing the 1998 Community Choice Action Plan, should continue to be involved in this process. The ability to attract and retain a more diverse population in the City will be dependent upon a number of factors, including the creation of housing options attractive to different demographic groups; promotion of the assets, activities, and services available to City residents through a well-tailored marketing campaign; facilitation of mixed-income housing opportunities; provision of accessible and affordable housing options for disabled, senior, and special needs populations; and continued enhancement of neighborhoods in the City to foster communities of choice.

6.2 Improve housing services for the growing immigrant / foreign born population.

Increases in the immigrant and foreign-born population can be a significant source of population growth for urban areas. However, these populations, where English may not be their first language, are frequently marginalized and served by organizations and groups that operate on the fringes. Understanding who this population consists of is an important first step to putting in place the resources necessary to bringing this group into the mainstream housing market. These include translating materials into appropriate languages, working with lending institutions to add bi-lingual staff and develop appropriate banking products, and conducting informational sessions on various topics (home buying process, rental rights, opening up savings/checking accounts, building credit, etc.).

6.3 Conduct public meetings with appropriate translation services available.

Instead of conducting separate meetings for English and non-English speakers, the City should conduct one meeting with translation services to break down the separation between these culturally different populations. Cities like Boston and Seattle, with very large immigrant and non-English speaking populations, are very experienced at conducting meetings in multiple languages.

6.4 Understand and celebrate the racial and ethnic diversity that comprises the City.

Work with organizations that serve the growing immigrant population to understand growth patterns and community needs. Seek opportunities to open the dialogue between groups of different backgrounds, such as cultural events and festivals like the very successful Puerto Rican Festival held annually. These events do not have to be as elaborate or on as large of a scale as the Puerto Rican Festival to promote an understanding of different cultures. These events can also be used as an opportunity to market the City as they may draw attendees from various locations. Some examples include street fairs that focus on a particular ethnic group, like the growing Somali or Vietnamese population; cultural awareness days that involve schools where the day's activities and teachings are focus on one particular group to understand their traditions, dress, and foods; and the establishment of a diversity roundtable or forum to provide regular opportunities for dialogue regarding issues faced by various racial and ethnic groups. Existing events could be reviewed to see how they can promote greater participation by various ethnic groups. For example, for the annual Taste of Rochester, the participation fee could be reduced or waived for smaller ethnic restaurants.



Issue:

Many neighborhoods lack the capacity to undertake development or the effective provision of services.



7 Goal:

Create a patchwork of effective and capable community-based organizations that act as partners in their communities' revival.

The City of Rochester has a long history of grass roots efforts and community involvement. The sheer number of community development organizations, neighborhood groups, merchant associations, and block clubs is a testament to this movement. However, the capacity and mission of these various organizations range from groups with multi-million dollar budgets and well-defined organizational structures to those staffed solely on a volunteer basis. As a result, there is a wide variability in the local capacity available to address issues at the neighborhood level.

The implementation of the Neighbors Building Neighborhoods (NBN) process, initially created for the comprehensive planning process, was designed to give neighborhoods a voice in actively shaping the future of their community. The most successful sectors under NBN are those guided by long-established organizations, while the program has failed to build local capacity in other sectors.

Recommendations:

7.1 Undertake grass-roots comprehensive plans for neighborhoods to inform investment decisions.

Although many interviewees indicated that Rochester is great at planning but not as effective in implementation, the problem appears to be exactly the opposite. The City has proven extremely capable at implementation from running their CDBG allocations to undertaking complex, mixed-finance development projects. However, because few comprehensive neighborhood plans exist, implementation is uncoordinated and, at times, lacking a long-term focus. In an age of shrinking resources, planning with strong community guidance is more important than ever. The charrette process that has been instituted around many commercial corridors, for example, is a great way to garner public involvement, but charrettes cannot substitute for a plan which is based on a dialogue with residents over time and tied to funding mechanisms to make them a reality. Recent initiatives, such as the Rochester Children's Zone, are re-addressing this issue but more needs to be accomplished.

To date, the majority of community planning has taken place through the NBN Sectors. While the NBN has played a valuable role in raising the issue of community-based revitalization, neighborhood planning should be encouraged in step with existing neighborhood boundaries. The Sectors should remain as a means of coordination with the City and between neighborhood groups, but each neighborhood should be encouraged to undertake its own specific, comprehensive neighborhood plan. This will help to build capacity and pride among residents about their community and its future.

The community plans should become templates for investment decisions, identifying where City funds should be best utilized to maximize impact and leverage other dollars. The plans should also identify the community's expectations for new public and private development and articulate a clear community review process for development plans. The result will be a transparent community development review process, understandable to the City and developers.

Each plan should be generated from a comprehensive analysis of the community and seek a public process to address the following:

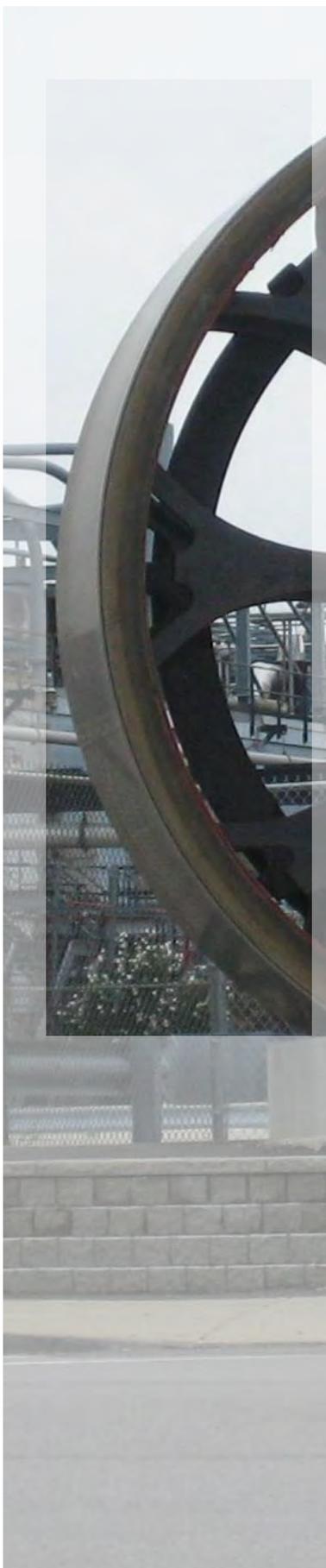
- Housing needs including potential locations for new development;
- The location, type and extent of commercial services;
- Infrastructure improvements;
- Open space strategies to improve existing parks and enhance the environment of the community;
- Transportation and mobility issues;
- Neighborhood marketing;
- Social programs and services required to address local needs; and
- Action steps identifying costs and partners to move the plan toward implementation.

A key observation that should be made about actively promoting neighborhood planning is that not every neighborhood is ready to plan. Some communities lack capacity while others lack dollars to hire assistance for planning. Promoting neighborhood planning is a process that needs to evolve. Communities with existing capacity can and should be the first to move forward with this effort. The City should assist three to four neighborhoods in preparing comprehensive plans as a first step in this process. The plans should coincide with those areas that are considered for “focusing” CDBG funds, described further in Recommendation 10.6.

7.2 Create a Neighborhood Planning Challenge Fund.

To further promote neighborhood planning and build capacity, the City and its partners should create a planning challenge fund. The fund would provide grants for neighborhood planning but also subsequent dollars for implementation after the plan is complete. The Wachovia Regional Foundation in Philadelphia, for instance, provides \$100,000 neighborhood planning grants and implementation grants up to \$750,000. The funding would be competitive with the intent of funding the most comprehensive proposals that meet the Challenge Fund requirements.





7.3 Support and expand local organizational capacity.

The work of community organizations should be driven by place-based mandates versus easiest opportunity. A strong network of neighborhood organizations will only complement other public and private efforts to invest in and revitalize Rochester communities. Enterprise is already spearheading work in enhancing local organizational capacity and could be considered to facilitate additional efforts in this area.

Conduct organizational assessments.

One first step to building this foundation would be to conduct organizational and capacity assessments of all community organizations. These assessments would identify what resources and assistance are required to maximize local potential. Additionally, this can provide the framework from which organizations may decide to merge their institutional structures to better serve their target community.

Build upon the Community Development Collaborative model.

The Rochester Community Development Collaborative (RCDC), which is supported by a consortium of funders including the City and lenders, combines operating support with technical assistance to community development organizations. The City should explore expanding this model of providing assistance and/or support to a greater number of organizations. Enterprise could act as the administrator of funding and technical assistance in an expanded program.

Evaluate the City's current approach to providing operational support.

Operational support is one of the most difficult resources for community organizations to access as funders prefer to support programs and specific activities. Questions to be asked are: Does the existing funding framework achieve the intended results? Can the operating funds being provided be leveraged with resources from other funders and structured in a manner to build greater capacity?

8

Goal:

Build on the City's assets, and promote investments in quality of life issues.

Integral to housing are the associated quality of life issues that truly determine where many families choose to live. Open space, schools, proximity of commercial services and safety among others must be addressed in concert with investments in the housing environment. While negative perceptions about the City are often the most audible, many residents are deeply proud of the City's open spaces, urban character and tight-knit communities. Rochester also continues to be the center of arts and culture in the region. Despite the depth and breadth of urban amenities unique to Rochester, they remain on the fringe of the existing housing investments, programs and plans.

Recommendations:

8.1 Connect housing to the City's rich diversity of cultural amenities.

Few cities offer the range of local arts and music present in Rochester. This aspect should be reinforced through the City's housing policy by considering the following:

Offer a season pass to the Rochester Philharmonic Orchestra, other music entities, or sports venues as a benefit to buying a home in the City.

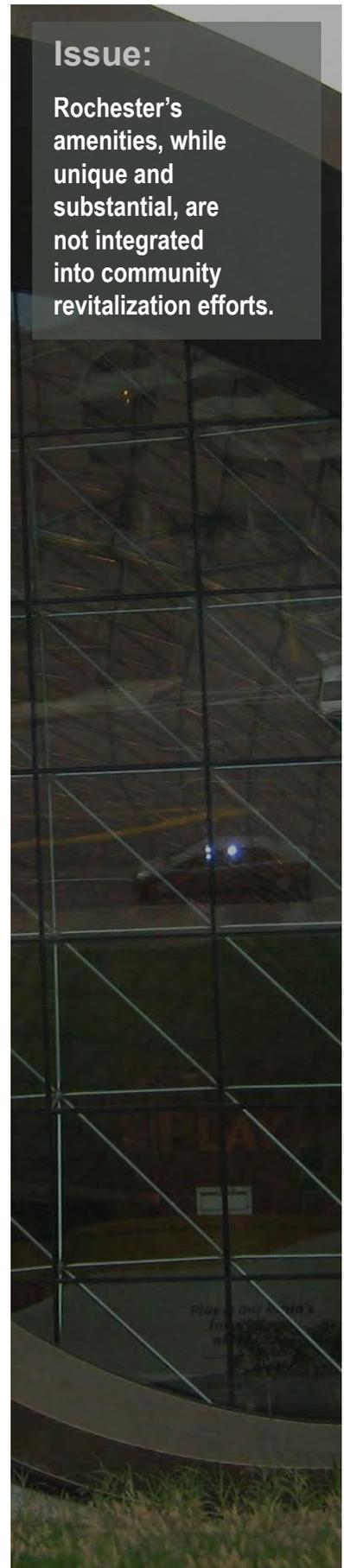
The season pass is not intended to attract new buyers but rather to help build pride in the City and provide an exposure to arts and entertainment opportunities for families from a broad range of incomes. The price of the season ticket should be incorporated into the home sales price for those making above 80% of median income and subsidized by a local foundation for lower-income households.

Approach not-for-profits to participate in a "one percent for art" program for all new construction.

Public art can be a part of every neighborhood. By coupling local artists with new affordable homes, even small amounts of money can be creatively used to add interest to the home's façade or front lawn. Foundation and other support will be needed to provide additional funds for the program.

Issue:

Rochester's amenities, while unique and substantial, are not integrated into community revitalization efforts.





Video installation used to promote the arts, market the community and raise awareness of local assets.

Source: Interface Studio and Klip Collective

Create an “artist in storefront” program to enliven underutilized land along commercial corridors, stimulate and attract arts-related activities and, eliminate blight.

Many cities have made this a successful addition to their streetscape while awaiting redevelopment. Rochester should encourage experimentation and fund installations that potentially will have the greatest impact. The use of projected video should be considered for larger installations that allow art to be mixed with community information in a cost effective format. As a ‘community message board,’ video installations have the added indirect benefit of reducing crime in adjacent areas.

8.2 Actively use open space as a community revitalization tool.

Parks, gardens and trees can radically alter the way in which residents feel about their community. In fact, some of Rochester’s most desirable locations for housing are immediately adjacent to attractive and unique green space such as Highland Park and Riverside Cemetery. It is critical that open space play a prominent role as Rochester moves forward with a new housing policy.

Create a Rochester cleaning and greening organization.

Cities facing rising vacancy rates are often confronted with both short and long term maintenance issues associated with vacant land. Recognizing the deleterious impact vacant land has on housing values and community pride, many cities have created separate organizations dedicated to managing vacant land with a focus on urban greening. The positive impacts have been well documented. Illegal dumping has been curbed, property values increased and once trash-strewn lots have been transformed into green spaces that are actively used by community residents.

Detroit, Flint, Cleveland, Youngstown and Buffalo are all exploring, or already implementing, initiatives to simultaneously land bank and green vacant land. The most established example is through the Pennsylvania Horticultural Society’s Philadelphia Green Program, which manages, cleans and greens vacant land in focused areas throughout the City. The experience of Philadelphia Green is instructive. They provide technical assistance and funding to community organizations to maintain vacant land. Through a partnership with the City, Philadelphia Green is tasked with complementing other City investments and developing ongoing and future strategies to increase community involvement and act as a critical liaison between the City and not-for-profits.

As Rochester moves toward a housing policy, serious attention should be given to laying the groundwork to create a separate, City-wide greening not-for-profit. This new entity will require start-up funding from public or foundation sources to initiate the program with future revenues generated through events, private donations and State funds. To learn more about the challenges and opportunities in beginning a greening organization, the City should reach out to Philadelphia Green to develop a local forum on community greening. The forum will serve as an educational opportunity for the public and generate additional interest in Rochester’s potential green future.

Ensure that all local parks are attractive, visible and accessible to the surrounding community.

While most City parks are neighborhood assets, some parks feel isolated from surrounding blocks due to poor design, fencing, or changes in topography. These spaces must be transformed to help improve the local housing market. Dollars should be used to open these spaces up to the community and corresponding investments should be made to adjacent housing. A close collaboration between the Department of recreation and Youth Services and the Department of Community Development will need to be fostered to create coordinated and effective strategies.

Create an open space strategy for depreciated and distressed areas.

In some communities, the City should plan for shrinkage. A key component of this task is to plan for a greater emphasis on open space. An open space strategy should identify where existing parks should be improved, where to focus street improvement dollars and where new open spaces could be created from vacant land.

Take advantage of the unbuildable lot program.

Rochester has a program that markets unbuildable parcels of vacant land to the adjacent owners. This program should be actively marketed in neighborhoods where the housing market has significantly declined. As has been found in many cities, where the City wants to better utilize the program, working closely with the local community organization is necessary to reach out to neighbors and enlist interested residents.

8.3 Consider creating a community-based transportation service.

In terms of transportation, Rochester faces a ‘perfect storm.’ The overwhelming majority of residents drive, there is a gap between the location of jobs and affordable housing, and the existing ‘hub and spoke’ model of the bus system greatly extends travel times. For disabled passengers the Lift Line is available but use of this system requires significant advance notice. A lack of effective transportation options significantly reduces housing choice for all families. For this reason, Rochester should work with local partners to explore the possibility of creating a community-based transportation service. The service would use vans that operate “on-demand.” A number of cities have started similar programs and enlisted local corporations to subsidize fares for lower-income families.

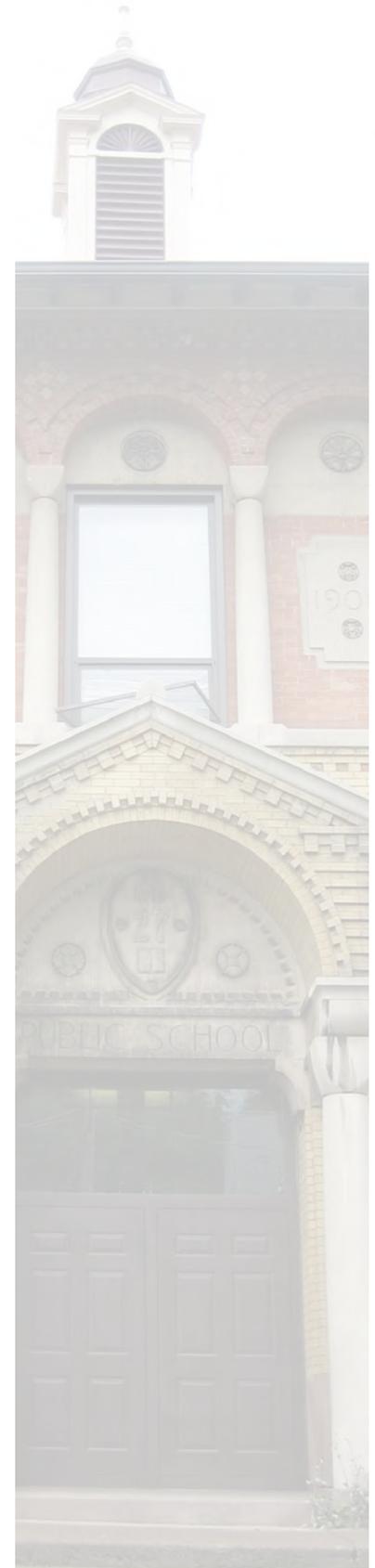
A first step is undertake a community-based transportation plan to identify the full needs and options available for addressing service gaps. The Metropolitan Transportation Commission in California provides a good model for the planning process (<http://www.mtc.ca.gov/planning/cbtp/>).

8.4 Recognize the value of local schools in community revitalization.

The market study indicates that a large percentage of new residents to the City do not consider schools to be their highest priority in choosing where to live. However, for the traditional families that the City should continue to serve, schools remain an enormous concern. Fully addressing the issue of schools is beyond the scope of what this Study can accomplish, but a number of strategies should be considered.

Market the best of the system.

There are many schools in the City that are in fact excellent. The successes need to be highlighted and promoted as a part of an urban living package tailored to those catchment areas. In Madison, WI, a number of local corporations joined with the public school district to launch a program that promotes Madison schools by providing details about the system, and a connection with parents that are actively involved in the schools. **At Home in Madison** was initiated as a pilot program and quickly was applied to the entire system. The innovation is fueled in-part by the fact that homebuyers are rarely in a position to “make a career” of buying a home, especially when they are first moving into a community. By getting quality and meaningful information in front of prospective homebuyers, Madison Public Schools and their partners are minimizing the detrimental effects of myth and misperception.



Transform the schools into open and public community centers where possible.

After hours use of portions of school facilities for classes, programs and recreation can build an increased pride and attachment to that school by local residents.

Create partnerships with local institutions.

Rochester should consider partnering with the University of Rochester, SUNY Brockport, Geneseo, Nazareth, Roberts Wesleyan, St. John Fisher or the Rochester Institute of Technology in creating a public elementary school in the City. This is a successful model that has significantly increased housing values in neighborhoods that feed that school. The University of Pennsylvania started a public elementary school to attract faculty to live within walking distance of the campus. The Sadie Alexander School is now recognized as one of the best in the City and has helped to spark a revitalization in communities surrounding the University.

Support the efforts of the Rochester Children’s Zone, Inc. and other School District initiatives.

The Rochester Children’s Zone, Inc. has been undertaking a comprehensive planning effort focused on the schools in the northeast of the City. Their work to date has made strides to fully integrate revitalization across agencies and City departments and should be supported as it moves forward.

Recognizing that investment in schools should not occur in isolation, the City should support, where possible, the School District’s Facilities Modernization Program by leveraging School District monies with community investment dollars allocated for the areas surrounding schools chosen to benefit from the program.

Consider creating an on-line virtual high school.

Hudson County, NJ offers an on-line high school curriculum which has proven successful in terms of enrollment and graduation rates. This builds upon similar efforts to create on-line curricula for home schooling which is a growing national trend.



8.5 Make Rochester’s main streets “Main Streets.”

Many of the commercial corridors that form Rochester’s major thoroughfares have experienced significant decline. Once active seams between communities where residents gathered, these corridors now represent strong dividing lines between neighborhoods. The declining number of active uses, the growth of low-value uses, increased vacancy rates and negative perceptions of crime have impacted the value and attractiveness of housing within proximity to these corridors. Given the radial street pattern that privileges these commercial streets, they form the foundation of how residents and visitors experience the City and remain critical components of the City’s overall revitalization.



Create strategic plans for key commercial corridors.

To assist the City and local business associations with promoting and improving commercial areas, corridor plans are necessary to identify the potential market for the area, where new development should be focused, the intensity and type of streetscape improvements and where the current land use should change to reflect the realities of today's commercial shopping patterns. The Placeholder Zoning Overlay is currently protecting a number of commercial corridors from low-value uses, but full plans are needed to update this zoning and guide future investment.

Ensure Economic Development and Housing are working together.

As both the Economic Development and Community Development Departments are working to set budgets and determine priorities, there should be a proactive effort to coordinate decision making that determines where dollars are spent. Housing dollars for rehabilitation should be focused on areas within close proximity to commercial corridors designated for economic development assistance. Similarly, improvements to commercial corridors should reinforce housing investments planned by Community Development.

Expand "NeighborLink" as a full service network of technology centers.

NeighborLink is a great idea that never was pushed to its logical extreme. The program should be expanded to create community technology centers (CTC) located prominently along key commercial corridors. Each center would be linked to a city-wide resource of information and serve as a means to provide education, workforce training and technology literacy for all ages. A not-for-profit organization is needed to effectively operate all of these centers and can generate supplemental revenue through grants and foundations.⁶

8.6 Think Big on Infrastructure.

The now obsolete physical barriers created to support Rochester's industrial infrastructure have resulted in isolated pockets of housing. Transforming commercial corridors into 'main streets' will substantially help to address this issue, but Rochester should not be afraid to think big when addressing its industrial legacy of infrastructure.

Remove the inner loop where possible.

The Center City Plan identifies the possible removal of the eastern section of the inner loop, transforming it from highway to an at-grade boulevard. This proposal should be seriously considered as the inner loop separates downtown from nearby neighborhoods. These neighborhoods would benefit from enhanced physical connections that are needed to effectively build a stronger housing market.

Transform de-commissioned rail corridors into neighborhood connectors.

There are a few rail rights-of-way that serve to sever communities from themselves. The open expanses of land are perceived as unsafe and have a negative impact on surrounding housing. Where possible, plans should be created to transform these decommissioned rail corridors into new boulevards or linear parks that serve to reconnect communities.

⁶ For more information on CTCs, visit www.CTCnet.org.



Issue:

Investment, programs and other initiatives are often uncoordinated.

9**Goal:**

Align City departments and resources to increase synergy, transparency and citizen access.

In comparison to many other cities, Rochester has fewer issues with transparency in decision making. The main concerns voiced by participants were related to a lack of understanding regarding funding decisions for housing projects and the development process at the City. The greater frustration voiced by those within and outside of the City government is the lack of dialogue and coordination between various departments. The City's organizational structure for meeting the challenges of neighborhood stabilization and improvement has continued to evolve over the past several decades.

At the present time, neighborhood revitalization responsibilities lie in a number of departments and bureaus including the Departments of Community Development, Economic Development, Environmental Services, Neighborhood Empowerment Teams (NET) as well as with the Recreation and Youth Services and the City School District. While the City can point with pride to many accomplishments in neighborhood revitalization, the complexity of the City's planning and development structure has, at times, been a source of frustration and delay as well as creating problems of coordination, direction, and the efficient use of staff resources.

To build upon the "OneCity - Rochester" vision, the City should align the various departments and bureaus to ensure that those responsible for different facets of community and housing development are coordinated and communicating with one another. This will significantly enhance customer service to residents and businesses alike, and demonstrate that the City of Rochester is truly "open for business." Two key elements critical to the City's enhanced customer service effort are making the City accountable for implementing its plans and making information on the City accessible to the general public.

Recommendations:**9.1 *Institute a Rochester housing ombudsman for making projects happen.***

Empower an ombudsman position to work with developers that has the authority and ability to pull together and coordinate the resources, information, and approvals necessary across all City departments to carry out housing projects.

9.2 *Evaluate City re-organization.*

The overall organization of the City's neighborhood planning and development activities should be reviewed with the objective of finding ways to simplify and streamline the existing structure and more clearly define responsibilities.

9.3 *Put the "empower" back into the Neighborhood Empowerment Teams (NET).*

Provide the NET staff with the tools and resources necessary to be able to address neighborhood concerns. Utilize technology at the NET offices to expand the menu of services and issues that can be addressed at the local level. Involve the NET staff in neighborhood planning efforts and decisions as their understanding of place is invaluable given their placement within the community.

9.4 Transform the Advisory Committee into a “Neighborhood Council.”

The current Advisory Committee overseeing the work on the City-Wide Housing Market Study is invaluable because it brings together a cross-section of stakeholders from various public, private, and non-profit organizations. Additionally, while the primary focus of the Study is housing, the Committee members are clearly invested in community improvement as evidenced by the mission of their organizations. Upon the completion of this Study, the Committee should transition into a “Neighborhood Council” that is charged with overseeing the implementation of the Study recommendations. The Council membership should be closely reviewed and members added as needed to ensure appropriate representation from key stakeholder groups, including organizations like the School District and the Police Department. The Council would meet every three months to review progress on implementation of this strategy and discuss other issues.

9.5 Ensure ready access to City data and information from within City Hall and beyond.

Rochester has a rich database of information, much of which was used to generate supporting information for this plan. The information, however, resides in different locations within City Hall and beyond. One benefit of this work was to bring together this information in one place to provide a coordinated perspective from which to ‘see’ the City. The benefit of this initial task should be reinforced as the City moves forward with the implementation of a housing policy.

Create one unified GIS system for all City data.

Every City employee should have ready access to information and data generated in different departments. This will greatly assist each department understand the issues of the City but also save money in staff time by keeping information relevant and easily accessible.

Place GIS files on-line.

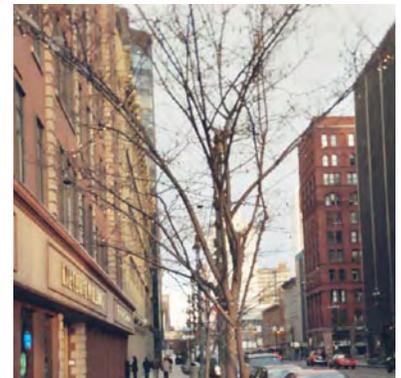
Rochester was one of the first cities nationally to employ GIS in their operations and data collection. Since that time, however, Rochester has been surpassed by other cities that have merged aspects of their database with publicly accessible City websites. Milwaukee and New York City, for example, have detailed maps and information on-line that are used as tools for neighborhood residents and developers alike. This Study began this process by placing a number of maps on www.rochesterhousingstudy.com for use by stakeholders and neighborhood leaders. This effort will have even more of an impact when linked to a ‘live’ GIS database.

Provide GIS training to key staff.

More than a handful of employees in the City should be the gatekeepers of City data and mapping resources. The number of staff that can utilize shapefiles and attribute tables to create GIS maps should be expanded to assist with all planning and implementation efforts.

Commit to consistent data collection and measurement every 2 years.

The Neighborhood Classifications created for this study’s analysis uses GIS data sets to create a combined measurement of neighborhood stability. The Classifications, however, are only a snapshot in time. To truly evaluate the progress the City and its partners make toward improving neighborhoods requires that this process be updated every two to three years.





Issue:

Federal funds have been decreasing for community development.



The City’s share of federal entitlement funding has continued to decrease on an annual basis. Many of the policies in place regarding the allocation of funds to various activities have remained the same for a number of years despite the fact that the needs and characteristics of the City have changed during that time period. As a result, the manner in which funding decisions are made today is not necessarily based on current City priorities or needs. In an environment of shrinking resources and steady or growing need, it is the responsibility of the City to maximize the impact of the funds available.

Recommendations:

10.1 Re-vamp City allocation and Consolidated Planning process.

Similar to the capital improvement program, a five-year rolling budget process should be adopted for community and economic development. This would allow for these departments to more proactively plan for specific programs and projects, understanding what resources are available when, as well as the ability to shift projects around depending upon readiness to proceed and program success.

10.2 Assess the timing of the expenditure of federal funds by program every six months.

Historically, a significant portion of the City’s CDBG allocation remains unspent at the end of each fiscal year. To maximize the funds being used towards City priorities and needs, the City should assess every six months the rate of expenditure by program. This information achieves two things: 1) identifying programs that need to be reviewed more closely to understand why the funding is not being expended in a timely manner (program structure, target population, participation requirements, etc.) so that appropriate changes can be made; and 2) permitting the reprogramming of unspent funds to other activities.

10.3 Establish clear (and written) funding criteria for entitlement funds to support housing development.

The criteria utilized to determine which projects are funded and for how much needs to be documented in writing and available for anyone to review. Having established and publicized criteria both holds the City accountable to a particular decision-making process and opens up the process to groups that may be new to Rochester.

10.4 Reconsider the size and number of awards made under the Emergency Shelter Grant and CDBG Human Services programs.

A number of organizations receive support for the provision of specific services under each of these programs; however, some awards are very small. A careful analysis should be undertaken to determine the impact of such a funding approach. For example, the greater the number of subrecipients, the greater the administrative costs associated with administering the awards. At what point do the administrative costs outweigh the benefits associated with supporting a number of different programs? Another concern is the impact of small awards on the receiving organizations. Each funding award comes with its own set of reporting and monitoring requirements. How does this detract from their ability to provide services if they are busy administering a number of small grants?

10.5 Evaluate the impact of limiting how long funding can be received.

Under the CDBG Human Services program, recipients are limited to five years of funding for a specific program to encourage service providers to find alternate means of sustainability. An analysis of program continuity after the conclusion of the five years would be informative. Are these programs able to secure other funds to continue their operation or are key programs lost because of the inability to obtain enough funding?

10.6 Strategically focus public dollars.

The concept of “focusing” has been discussed extensively in Rochester over the past year. The Targeting Forum held in December, 2006 to discuss Richmond’s experience officially kicked off a continuing discussion about what focused reinvestment may mean for Rochester.

There are many commonly held misperceptions about focusing that often detract from the real discussion that should be taking place. There are three common myths about focusing:

- *Myth 1: Focusing is oriented solely to building housing.* Focused reinvestment will never be successful if the strategy is grounded in building infill homes with little attention paid to the underlying community needs.
- *Myth 2: Focusing will force people from their homes as property values rise.* Cities have carefully planned for the natural success resulting from the leveraging of private investment and have created policies to protect low-income households from being pushed out.
- *Myth 3: Focusing, by nature, ignores the communities not selected for additional investment.* Focusing is often aimed at making better use of one source of funds – federal entitlement dollars. Other capital funds as well as dollars for continuing services and programs are still available to benefit neighborhoods that are not specific focus areas. Additionally, all communities can benefit from focusing because as a city’s tax base improves and the market expands, this brings private investment that would not have occurred otherwise.

Keeping these myths in mind, focusing is not a strategy that should be entered into lightly. Focusing is a cultural shift in how most cities and their partners use their funds. Dollars must be allocated over a multi-year period, requiring a firm political commitment and public support for the effort. As such, public debate and buy-in are necessary for the approach to succeed. Up-front coordination and transparency in all aspects of the decision-making process is necessary. Further, a consistent process for monitoring trends is needed to ensure that the investments are having the intended impact. In Rochester, the City has proposed an Advisory Council Board comprised of neighborhood leaders to help take the first steps in the focusing process, and this should be encouraged. An initial outline has been developed to guide the objectives of a focused reinvestment strategy.

There are two critical questions that need to be answered for the process to get started: what are we focusing reinvestment for; and where should we focus?

What are we focusing reinvestment for?

Many of the discussions to date have centered on the ‘where’ but not the ‘what.’ Different types of neighborhoods necessitate different types of actions. The Neighborhood Classifications map should be used as a template for thinking about different types of activities in different types of neighborhoods. For instance, focusing reinvestment in a “distressed” area should strive more toward community building, economic development, and vacant land management, whereas focusing in “transitional” areas should emphasize leveraging dollars and building a market through creative physical improvements including development. The chart below delineates a suggested range of activities that are most suitable to each Neighborhood Classification.

Type of Activity	Neighborhood Type					
	Exceptional	Stable	Transitional High	Transitional Low	Depreciated	Distressed
Community Organizing	X	X	X	X	X	X
Public Improvements	X	X	X	X	X	X
Vacant Land Management				X	X	X
Open Space Planning				X	X	X
Expanded Housing Services			X	X	X	X
Focused Rehabilitation		X	X	X	X	
Land Banking					X	X
Mixed-Income Development			X	X		
Economic Development			X	X	X	X
Mixed-Use Development		X	X	X		

Table 3. Range of Focusing Activities by Neighborhood Classification.
Source: Interface Studio

Ultimately, a community-based plan must guide the focusing activities for each neighborhood.

Where should we focus?

Richmond sought to target or focus on the most distressed neighborhoods. That approach made sense in Richmond, which is located in a growing market. For Rochester, the decision needs to be more nuanced and reflective of the fact that the City will have to work harder than Richmond to make a difference. The analysis has provided a strong framework from which to start the discussion. Given the findings, the following criteria⁷ are suggested to help guide the Advisory Council Board’s discussions:

- **Build from existing strengths** by identifying focus areas with private initiatives currently underway and where a reasonable infusion of public dollars could strengthen that market.
- **Support community development capacity** to implement programs and effectively bridge the efforts of citizens and City agencies.
- **Leverage private dollars** by identifying where minimal public investment can result in significant amounts of private investment.
- **Promote socio-economic and racial diversity** by ensuring that investments positively impact families of all backgrounds.
- **Reinforce other public investments** in parks, schools and commercial corridors to create revitalization synergies.

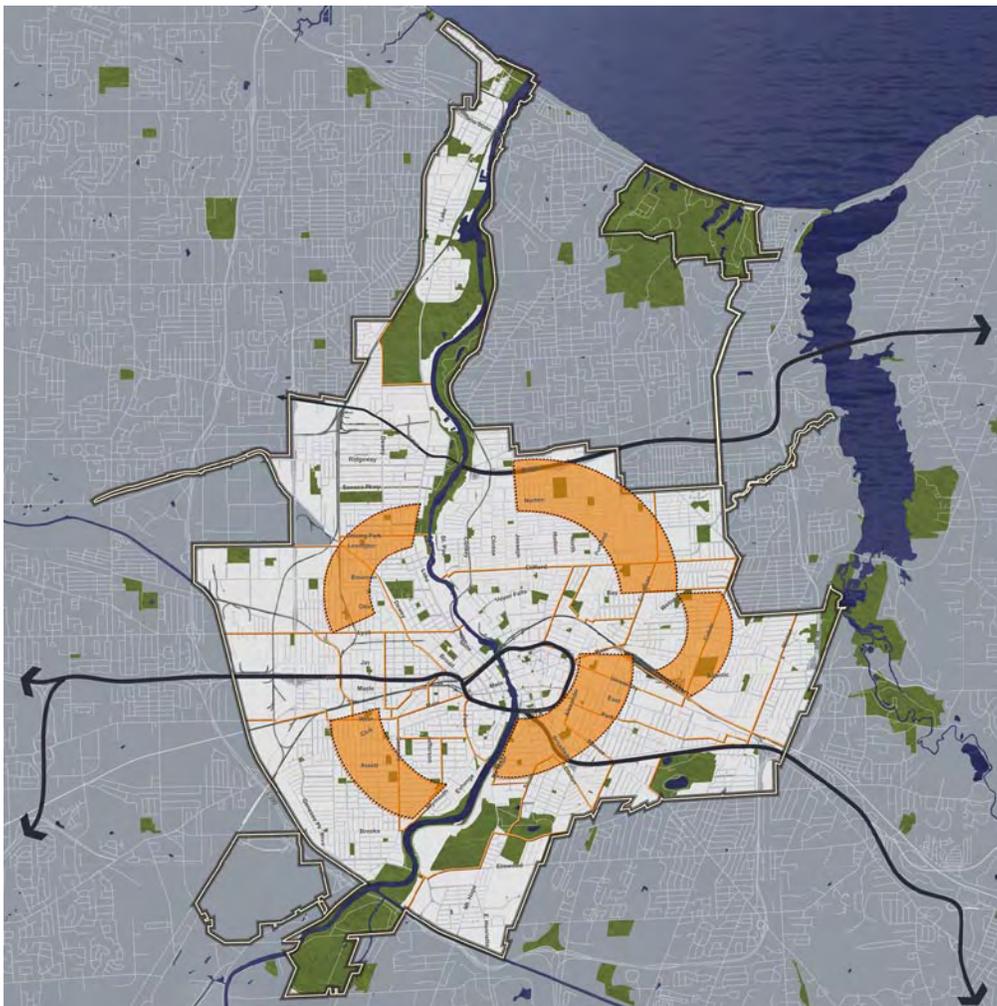
⁷ Many of these criteria were developed by Ruhi Maker, Jean Lowe and Alma Balonon-Rosen in a memo dated March 9, 2007.

Currently, Rochester is considering focusing reinvestment in a total of 150 blocks with a percentage of the current CDBG funding allocation. These 150 blocks will likely be spread across a number of areas. Given the above criteria, we propose three separate ways of thinking about where to focus these funds. In all three cases, the areas identified represent a far larger area than currently proposed by the City. The intent is only to facilitate discussion within the Advisory Council Board.

Option 1 – Focus in primarily transitional areas. This would stabilize the “edge” areas of the City and seek to stop the spread of vacancy and blight creeping outward from depreciated and distressed areas.



Figure 8.
To make an impact, focusing is proposed to address 150 blocks.
Source: Interface Studio



Option 1 -
Focused reinvestment in transitional areas.

Figure 9.
Source: Interface Studio

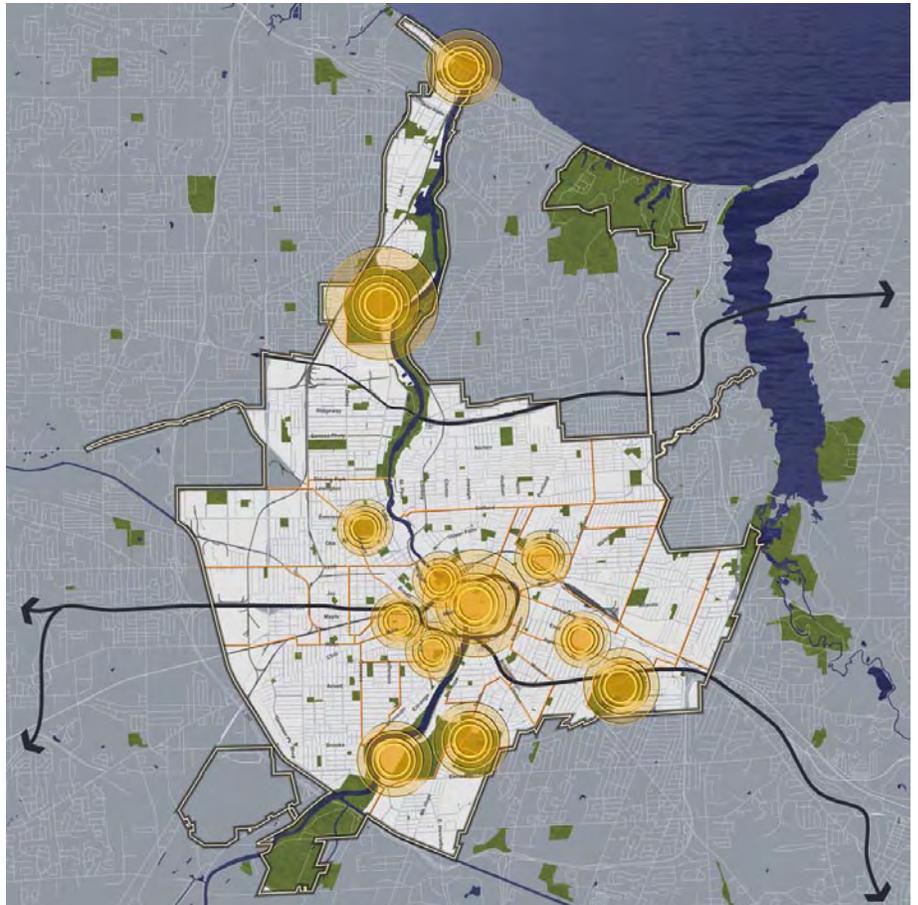
*Option 2 -
Focused reinvestment adjacent to
commercial corridors.*

*Figure 10.
Source: Interface Studio*



*Option 3 -
Focused reinvestment adjacent to
City-wide assets.*

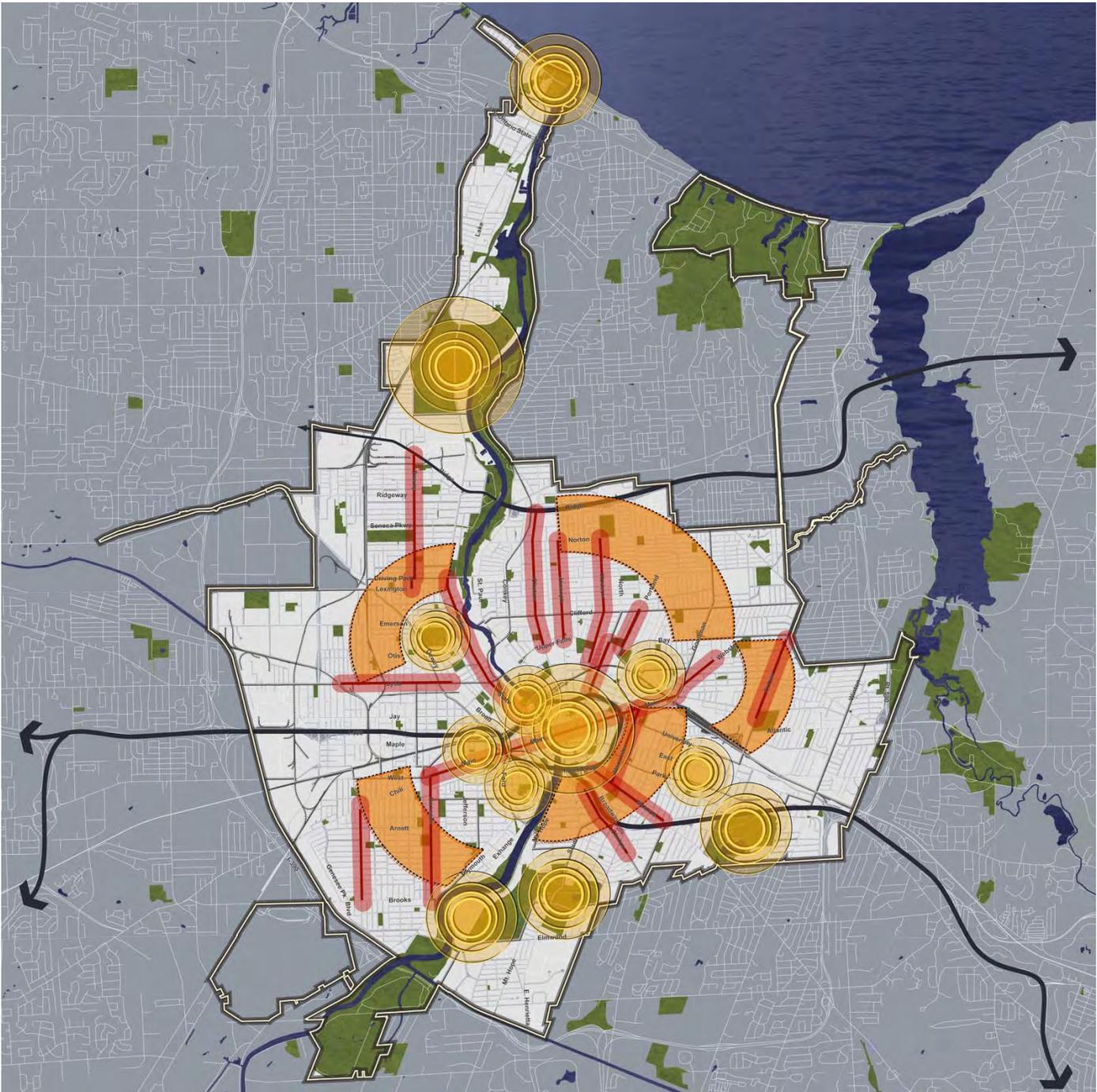
*Figure 11.
Source: Interface Studio*



Option 2 – Focus near commercial corridors that extend between transitional and distressed areas. Focusing in these locations would reinforce efforts to stabilize these commercial areas and directly address some challenging social and economic issues.

Option 3 – Focus near City-wide amenities. Preservation districts, the Public Market, notable parks and open spaces, and the universities represent some of the larger assets that could be reinforced with investment.

There are advantages and drawbacks to each broad approach. We believe that the end result should be drawn from an overlay of these issues, defining in effect the “pressure points” of the City.



Overlay of three focusing options.
 Figure 12. Source: Interface Studio

Pressure Points:

The map on the following page represents a series of opportunities in the City where strategic investment would best exemplify the criteria described previously. It should be noted that almost every part of the City represents some opportunity for focusing dollars that meet the above criteria.

Only a few of these “pressure points” can be addressed in the first round of focusing. The Advisory Group will need to discuss these opportunities and make their decisions based on visibility and the ability to maximize both public and private investments. In essence, the Advisory Group needs to discuss the “where” in the context of the “what.”

Future Steps:

The initial decisions on focusing should be made by the Advisory Group. After the initial areas are defined, detailed planning is needed to refine the specific geographic boundaries and to identify what specifically should be funded to best address local needs and City-wide objectives.

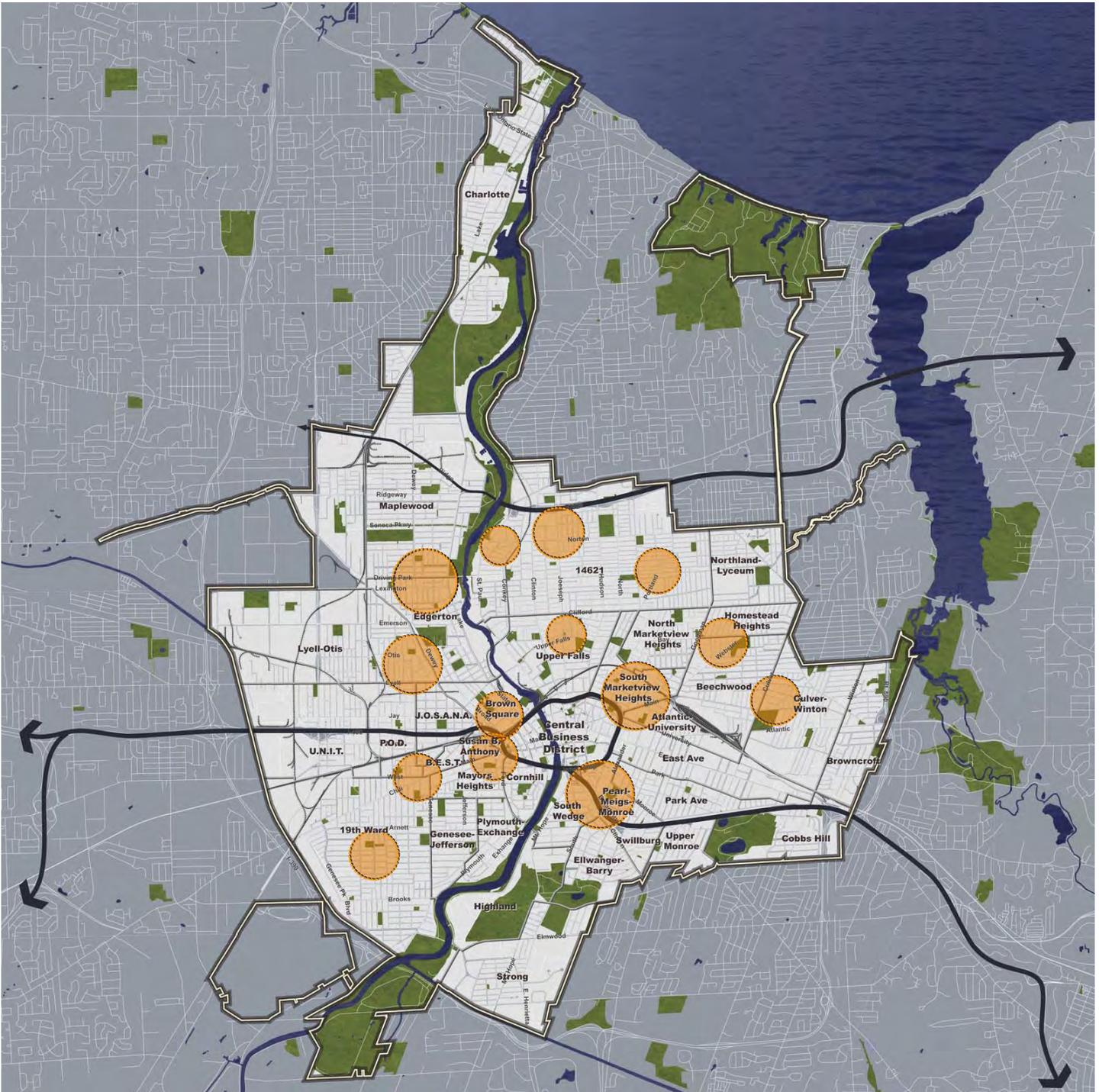


Figure 13.
Identifying the pressure points of the City should
combine strong data with public discussion.
Source: Interface Studio

In the future, we strongly recommend that decisions regarding where focusing dollars are to be used be generated completely from detailed neighborhood planning. Recommendations in this document regarding neighborhood planning should be pursued as a pre-cursor to this effort whereby the next round of identified focus areas is based upon a comprehensive and complete understanding of individual community needs.

Once decisions have been made as to where to focus, consistent monitoring will be necessary to evaluate the effectiveness of the investments by the Advisory Group. In line with Recommendation 9.5, the Neighborhood Classifications should be updated every two to three years and used as one component of this evaluation.

Figure 14.
Key City pressure points identified through our analysis. The map should be used for focusing discussions among Advisory Group members.
Source: Interface Studio



VI. Implementing the City-Wide Rochester Housing Market Study

The scope of this study was to fully understand the current housing market and potential future. The recommendations presented in this document are the beginning of a housing policy that needs to be developed with City residents. As such, two immediate actions should take place to build on the momentum of this work:

Take the City-Wide Housing Market Study “on the road.”

Many residents and neighborhood leaders have lent their opinions to this work. A website has also been launched that includes a survey to gather additional information on the perceptions and values of residents regarding housing and City neighborhoods. Now that the recommendations are identified, the City should organize at least one meeting in each Sector to present the highlights of the data collected and discuss the range of recommendations under consideration. The presentations should be specifically tailored for each Sector, highlighting what the data and recommendation means for their communities. The feedback from this process will be invaluable as a housing policy is created and aspects related to “focusing” are explored.

Identify the priorities and partners.

The final phase of this work is to develop an implementation matrix that identifies the key partners and timeframes for the recommendations. The consultant team will work with the Advisory Committee to determine which recommendations are priorities based upon their cost and feasibility. These priorities should be discussed with neighborhood leaders in the context of the meetings described above.

Study Participants - Interviews and Focus Groups

Many thanks to all of those who participated in the interviews and focus groups (or both) conducted during this Study. Their knowledge and experience greatly impacted the overall understanding and assessment of Rochester's Housing environment.

Lisa Alcott, Providence Housing Development Corporation
 Ryan Van Alstyne, North East Area Development Inc.
 Frank Andolino, Nathaniel General Contractors
 Bill Ansbrow, Bureau of Budget and Efficiency
 Steve Baldwin, Cornhill Neighborhood Association
 Phil Banks, Department of Economic Development
 Bob Barrows, Bureau of Housing and Project Development
 Marcia Barry, Bureau of Buildings and Zoning
 Bill Bartlett, Flower City Habitat for Humanity
 Josh Bauroth, Upper Monroe Neighborhood Association
 William Beenhouwer, Grove Place Neighborhood Association
 Barbara Benedict, Bureau of Housing and Project Development
 Marge Bergeson, RE/MAX
 Curtis Birthwright, North East Area Development Inc.
 Jim Bowers, St. John Fisher
 Roger Brandt, Rochester's Cornerstone Group, Inc.
 Maggie Bringewatt, Rochester's Cornerstone Group, Inc.
 Amy Brough, NeighborWorks Rochester
 Beverly Fair-Brooks, M&T Bank
 Luis Burgos, Bureau of Recreation
 Dan Buyer, South Wedge Planning Committee
 Alex Castro, The Housing Council
 Jane Chase, Regional Center for Independent Living
 Bill Clark, Urban League of Rochester
 Molly Clifford, Neighborhood Empowerment Team
 Clayton Cloen, Rochester Management, Inc.
 Mary Ellen Coglitore, Bureau of Buildings and Zoning
 Mike Coniff, Bureau of Planning
 Carolee A. Conklin, At-Large City Councilmember
 Frank Cornier, Northwest Community Services
 Joana Cruz, Ibero American Development Corporation
 Joan Dallis, HSBC
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 Hilda Rosario-Escher, Ibero-American Action League, Inc.
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 Margot Garcia, Bureau of Housing and Project Development
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Rick Herman, Rochester Homebuilders Association
Chris Hilderbrant, Center for Disability Rights
Jenifer Higgins, United Way of Greater Rochester
Helen Hogan, South East Area Coalition
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Ann Howard, RIT
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Cindy Kaleh, Maplewood Neighborhood Association
Gary Kirkmire, Neighborhood Empowerment Team
Germaine Knapp, Sojourner House
Kevin Knight, Resident
Sharlene LeRoy, Rochester Housing Authority
Sister Beth LaValley, Progressive Neighborhood Credit Union
Is Levy, Realtor
John F. Lightfoot, At-Large City Councilmember
Willie Lightfoot, Monroe County Legislator
Chris Lindley, Former Deputy Mayor
Jean Lowe, Greater Rochester Housing Partnership
Gar Luwenguth, RE/MAX
Patty Malgieri, Deputy Mayor
Ruhi Maker, Empire Justice Center
Matt McCarthy, Bureau of Neighborhood Initiatives
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Joe Mustico, Department of Community Development
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Kabutey Ocansey, Bureau of Budget and Efficiency
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John Page, North East Area Development Inc.
Brian Pasley, Citizens Bank
Ronald Paprocki, University of Rochester
Marguerite Parrino, Bureau of Planning
Rolf Pendall, Cornell University

Anne Peterson, The Housing Council
Brian Pincelli, South Wedge Planning Committee
Tim Raymond, Bureau of Buildings and Zoning
Joseph Robach, New York State Senator
Amy Robbins, Marketview Heights Association
Alma Balonon-Rosen, Enterprise Community Partners
Richard Rosen, Mark IV Construction Co.
Rick Rynski, Department of Economic Development
Connie Sanderson, Rochester/Monroe Homeless Continuum of Care Team
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R. Scott Schmid, JP Chase-Morgan
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Mary Anna Towler, City Newspaper
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Carol Wheeler, Bureau of Housing and Project Development
Linda Wilson, Nothnagle Realtors
Karen Wingender, Greater Rochester Area Association of Realtors
Kathy Wood, Urban League of Rochester Economic Development Corp.
Ted Wood, Ted Wood Real Estate Services
Charles Zettek, Center for Governmental Research
Heidi Zimmer-Meyer, Rochester Downtown Development Corporation
Barbara Zinker, Bureau of Housing and Project Development
Kevin Zwiebel, Bureau of Youth Services

Appendix: City of Rochester Property Tax Exemptions

City of Rochester

Bureau of Assessment

Department of Finance

Information Regarding Property Tax Exemptions

The following is a brief description of the most common property tax exemptions available to property owners in the City of Rochester. You must apply for any exemption for which you may be eligible by February 1st. Call the Bureau of Assessment exemption hotline: **585-428-6994** or stop in the office, **City Hall, 30 Church Street, Room 101-A**, for information and instructions.

Basic STAR – for property which is the primary residence of the owner, no age requirement, no income qualification.

Enhanced STAR – for property with owner age 65 or more, which is the primary residence of the owner, maximum personal income of \$66,050* in the previous year. *subject to increase

Senior Citizens – for residential property with owner age 65 or more, which is the primary residence of the owner, maximum personal income of \$32,400* in the previous year. *subject to increase

Capital Improvements to Residential Property – for one- and two-family houses, which have undergone reconstruction, alteration, or improvement. The cost of the improvements must be at least \$3,000. Expenditures for maintenance do not qualify. The exemption applies to an increase in assessed value due to the improvements.

Veteran – for residential property with owner who is a veteran (or unmarried surviving spouse) who served during defined periods of war, which is the primary residence of the owner.

Disabled – for residential property with owner who receives Social Security disability payments, Railroad Retirement disability benefits, or has a state certificate as legally blind, which is the primary residence of the owner. The maximum personal income of \$32,400* in the previous year is a requirement for this exemption. (Applicable to Monroe County taxes only.) *subject to increase

Clergy – for residence owned by a clergy person (or unmarried surviving spouse) who is engaged in the work assigned by the church or denomination of which they are a member.

Historic Preservation Rehabilitation – for property designated as a landmark or which contributes to the character of a historic preservation district created by a local law and for which the rehabilitation or alteration is made for the purposes of historic preservation. The exemption applies to an increase in assessed value due to the rehabilitation.

Construction of Living Quarters for Parent or Guardian – property must be the owner's principal place of residence and the primary residence of at least one parent or grandparent. The exemption applies to an increase in assessed value due to the construction. (Applicable to Monroe County taxes only.)

Business Investment Exemption – for construction, alteration or improvement of commercial or industrial property. The cost of the improvements must be at least \$10,000. Expenditures for maintenance do not qualify. The exemption applies to an increase in assessed value due to the improvements.

Religious, Educational, Charitable, Hospital, and Other Nonprofit – property must be owned by the nonprofit organization seeking the exemption. It cannot be owned by individuals, profit-making corporations, or other non-exempt groups. The property must be used for exempt purposes.