

CITY TAX FORECLOSURE SALE GENERAL INSTRUCTIONS

November 7, 2024

Index No. E2024007115

The City commenced this foreclosure action pursuant to Title 4 of Part E of Article IX of the Charter of the City of Rochester on April 26, 2024 by filing a list of 1,956 properties in the Monroe County Clerk's Office. This is the sale of those properties still in the tax foreclosure action. **Some of the properties will be sold to the City for demolition.**

Properties will be offered for sale through an open bidding process which will determine the sale price of each property.

If you are the winning bidder for any property sold in this auction, you will be required to pay a deposit of **\$5,000**. If you plan to bid on a property, you must be registered, and you must use your own bid paddle, which was provided to you when you registered this morning. Your paddle must be held high enough for the auctioneer to see in order for your bid to be accepted.

Some properties in the newspaper ad have been withdrawn, and will not be sold.

The first bid placed on each property shall be the amount bid by the City, if the City intends to bid on that property. Sometimes, the opening bid may differ from the estimated minimum bid in the newspaper advertisement.

**Demolition Properties.** The grid sheet indicates properties that the City intends to demolish with the word "DEMO." These properties are either already subject to a demolition order or the City intends to seek a demolition order. **The City intends to demolish every one of**

**the properties marked with the word “DEMO.”**

Purchase Contract. When the bidding is finished for each property, the winning bidder should come up to the front table. You will need to make a deposit of **\$5,000.00, or the total contract price, whichever is lower**, and sign a purchase contract. The deposit must be paid by cash, bank check, or attorney's trust check. The purchase contract will list the fee you will need to pay for recording the deed.

If you are the winning bidder, you must pay the balance of the purchase price and the recording fee **between 9 AM November 12, 2024 and 4 PM November 14, 2024**, by cash, bank check, or attorney's trust check. Personal checks, business checks, and money orders are not acceptable.

If you do not pay the balance of the purchase price on time, you will lose the **\$5,000 deposit**, and the property will be offered to the next highest bidder.

The properties are being sold “as is.” Many of them are in poor shape. We will not cancel a sale if you find the property is in worse shape than you thought. You do not have to get a Certificate of Occupancy to get a deed, and you cannot apply for any permits or a Certificate of Occupancy until the deed is recorded. Once the deed is recorded, you will be subject to all of the usual legal remedies of the City if the property has code violations.

Lead. Housing built before 1978 has a high probability of having lead-based paint, which is harmful to children and a liability for landlords. The properties being sold in this auction are all privately owned and the City has done no testing on any of them. If you buy a residential property, we recommend that after the deed is recorded, you find out whether there is a lead paint problem. The City’s Lead Program provides advice to owners for checking for lead risk and in making property lead-safe.

**When will I get the deed?** After the sale, the City will send you a Notice of Availability of Owner's Title Insurance, along with transfer forms for the recording of the deed in the Office of the County Clerk of Monroe County. **Only after we have received and reviewed these forms for accuracy, and have been provided with completed, executed forms as requested, can the City record a deed. This process of recording the deed takes a minimum of 60 days after the sale date.** An additional thirty (30) days will be required if you purchase a policy of Owner's Title Insurance. Only after the deed is recorded can you proceed to evict tenants, or obtain permits.

Always a few sales must be canceled, due to title problems, or other errors in the process. For that reason, the City strongly recommends that you consider obtaining a supplemental title search. As previously noted, the City will provide you with a Notice of Availability of Title Insurance so that purchasers can investigate the quality of title conveyed by the City. The City will not be responsible in the event a purchaser fails to order a supplemental title search and is conveyed a property subject to title defect(s). So remember that even though you will have paid the entire purchase price by **Thursday, November 14, 2024**, additional steps must be taken and you will not get full rights to the property for **at least 60 days**.

If you utilize the City's title insurance provider for a supplemental title search, and the City's provider determines that a race-based restrictive covenant exists in the land records relating to the property, you will be required to file an express revocation of such race-based restrictive covenant in the form and manner prescribed by the City.

**The new owners cannot demand rent or demand that the current occupant leave until they receive a recorded deed. The new owners cannot remove any personal property until they receive a recorded deed. It always takes at least 60 days to complete the deed recording process.**

**Limited Power of Attorney.** You will be required to sign a limited power of attorney allowing the City to sign the RP-5217 and TP-584. This Limited Power of Attorney cannot be used by the City to change the terms of your purchase. We will send you copies of the RP-5217

and TP-584 for you to sign; if there are errors on the form, the City will use the Limited Power of Attorney to make corrections on your behalf in order to expedite the process.

Securing the Property. If you are the winning bidder, you should go to the property to see if it is occupied, and to see if it is secured. If it is vacant, you can secure it. However, you should not go beyond that until you have a recorded deed. If the property is occupied, you will not have the legal right to collect rent or to evict tenants until the City has recorded the deed. Please do not harass the current owner or tenants of the property. Once the deed has been recorded, you may begin eviction proceedings. You must go through a legal eviction process; you may not simply order tenants to leave. The deed does not grant you ownership of any personal items at the property. You must allow the former owner or tenants to remove their possessions. You should not begin repair work on the property, even if it is vacant, until you have a recorded deed.

Tax Foreclosure Deed. The deed to you will be a Tax Foreclosure Deed, signed by the Corporation Counsel. **All** other liens and mortgages—whether older City tax liens, County tax liens, judgments, mortgagees, etc.—are cut off by the deed. These liens and mortgages are cut off by operation of law—we do not file satisfactions of mortgages, judgments, or tax liens in the Monroe County Clerk’s office. However, as previously noted, the City strongly recommends a supplemental 60-year title search in order to ensure that there are no title defects. The City will not be responsible for title defects if no supplemental title search is requested by the purchaser.

Federal tax liens. For any properties with a Federal tax lien, the United States has a right to redeem the property for 120 days after sale. To redeem, the United States would have to refund you your purchase price. The United States has never exercised its right of redemption. But a federal tax lien is still a cloud on legal title for 120 days. The auctioneer will indicate which properties have been identified as possibly having a federal tax lien.

Assignment. If you want the deed to be in somebody else's name, such as a limited

liability company, you will need to complete an Assignment of Bid, when you pay the balance of the purchase price. Please be aware that all business entities taking title to the properties must be properly formed and in good standing. Foreign companies must be registered with the New York State Department of State and authorized to do business in New York. More information on the registration process for businesses that were not formed in New York can be found at the following link: <https://dos.ny.gov/application-authority-foreign-business-corporation>.

**Taxes.** The winning bidder will be responsible for water bills from **the date of the auction—not the date the deed is filed.** The first tax bill will be the **2025 County** tax bill, issued in **January, 2025.** The first City tax bill will be the **2025-2026 City** tax bill, issued on **July 1, 2025.** **You are responsible for payment of these taxes and water charges regardless of whether you receive a bill or the deed is recorded after the bills are issued.**

**Check for taxes.** When the deed to the Purchaser is ready for recording, the City will check to see that **the person or organization to be named as grantee in the deed** is current on City taxes on all other properties. When the deed is ready, if the grantee owes taxes on another property, the City will send written notice to the purchaser requiring payment of the outstanding taxes within 15 days of the notice date. **If the taxes are not paid within 15 days, the City will cancel the contract, the deed will not be recorded, and your \$5,000 will be forfeited.**

The City will check to see that **the person or organization to be named as grantee in the deed owns any properties in the City of Rochester with open code violations or without a current certificate of occupancy (where such is required).** When the deed is ready, if the grantee owns any properties in the City of Rochester with open code violations, or any property without a current certificate of occupancy (where such is required), the City will send written notice to the purchaser requiring them to abate all open code violations and obtain a Certificate of Occupancy for other properties they own in the City, within 15 days of the notice date. **If all open code violations are not abated, and Certificate of Occupancy is not issued within 15 days, the City will cancel the contract, the deed will not be recorded, and your \$5,000 will be forfeited.** If

the code violations are abated and a certificate of occupancy is obtained within 15 days, the City will record the deed.

Legal Use versus Current Use. The current use may not be the same as the legal use. For example, a property may be currently used as a two family, but located in a single family district. Any property classified as a “non-conforming use” can lose its legal use rights if there is a vacancy for a more than nine months. This loss of rights may have **already occurred**—when that happens a property must be **de-converted**. The City is not bound by any representations regarding the legal use of any property.

Keys/Tenants. We will record the deed to the property, but we cannot give you keys, and we cannot give you any help in evicting tenants. You must wait until the deed has been recorded before you evict any tenants. You should consult your own lawyer about dealing with the old owner or with any tenants.

Water Bills. After the deed is recorded, call the Water Bureau to see if they have a recent meter reading. If they do not, **you need to arrange to have them read the meter**. As long as there is a meter reading by the City either shortly before the sale, or shortly after the sale, you will not be charged for any water used prior to that reading.

Refuse. When a property is vacant, the City Department of Environmental Services discontinues refuse service to the property. If you purchase a property that is vacant, without refuse service, if you start up refuse service in the middle of the year, you will get a refuse bill from the City’s refuse department from the date you request service.

If you begin renovation, you should first obtain a building permit, and then you should contact the City’s refuse department to order a roll-off or toter. No debris should be left at the curb.

Proceeds. The proceeds of the sale of each property will be distributed in this order:

First, to the City of Rochester (or any holder of City of Rochester taxes),  
Second, to the County of Monroe (or any holder of County of Monroe taxes),  
Third, to anyone with a valid mortgage or other lien on the property, and  
Fourth, to the former owner of the property.

No sale to current owner: **We cannot sell a property back to the current owner at this sale.**

If you are the owner, directly or indirectly, of a property being sold, you may not bid on that property, and you may not attempt to purchase that property, directly or indirectly, through an agent, through a bidder on your behalf, or through any company owned or controlled by you. You may not use a limited liability company or corporation controlled by you to bid on that property, or have a relative bid on that property for you, or for a company controlled by you.

One final point: When all of the properties sold have been transferred, City Treasury will remove all outstanding property tax, water, code violation, and other miscellaneous charges from the City's various receivable systems. It is likely that the City's tax system will not reflect that all City taxes have been discharged on these properties for several months, as Treasury needs to complete the accounting and administrative duties associated with the auction. Rest assured, all City taxes will have been legally discharged, and all other miscellaneous charges up to the date of the auction. In the next several months, you may get letters and/or notices that you **still** owe money to the City on the properties you buy at this auction. **Please ignore these letters while the adjustments to the accounts are being made.**

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