

WHERE MUST QUALIFYING PROJECTS BE LOCATED?

CUE is restricted to mixed-use (residential-commercial) conversion projects located in the City's Center City Zoning District.



HOW DO I APPLY FOR CUE?

To apply for CUE, property owners must complete and submit an application to:

NBD Bureau of Business and Housing Development

Attn: Lindsay Nabozny
City Hall, Room 005-A
30 Church St.
Rochester, NY 14614

(585) 428-1113

lindsay.nabozny@cityofrochester.gov

WHEN IS CUE IN EFFECT?

The CUE was originally authorized by City Council in March 2003, and has since been reauthorized six times. The current authorization expires in December 2024.

Applications must be filed before construction begins to ensure that MWBE and workforce goals are met.

The CUE exemption will be applied to tax bills for the fiscal year following the date of application.

For example, if the application is received by February 1, 2022, the effective fiscal year would be July 1, 2022 to June 30, 2023. The exemption would be valid for the 12 years subsequent, so long as the eligibility requirements continue to be satisfied.

The application and additional information is available at:

www.cityofrochester.gov/housing



CITY OF ROCHESTER



CUE

Conversion Urban
Exemption Program

for Center City Living

 **Malik D. Evans, Mayor**
City of Rochester, NY • Rochester City Council

WHAT IS CUE?

The **Conversion Urban Exemption (CUE)** Program is a City of Rochester tax incentive program to encourage housing in the Center City.

The intent of the program is to facilitate the conversion of underutilized office, retail, manufacturing, and warehouse buildings to residential use.

HOW DOES CUE WORK?

Under the provisions of Section 485-a of the Real Property Tax Law, non-residential property, upon conversion to mixed-use, can be partially exempted from taxation and special ad valorem levies for a period of 12 years.

The exemption applies to the increase in assessed value attributable to the conversion to mixed-use.

The schedule of the partial tax exemption is as follows:

Year of Exemption	Exemption
1-8	100%
9	80%
10	60%
11	40%
12	20%

WHAT ARE QUALIFYING PROJECTS?

In order to qualify for the CUE exemption, property owners will be required to invest a minimum of \$250,000 in the conversion project.



At least 75% of the floor area of the mixed-use property must consist of the pre-existing building or structure.

All projects receiving the exemption will be required to provide a minimum of 50% of the total developed square footage as residential, and a minimum of 15% of the building's developed square footage as commercial.

All projects receiving the exemption will be subject to affordable housing requirements, and MWBE and workforce goals (see next section).

WHAT COMMUNITY BENEFITS ARE REQUIRED IN EXCHANGE FOR THE CUE?

To receive CUE, 20% of residential units developed must be affordable to households earning at or below 60% of Area Median Income (AMI) for 12 years.

Developers are expected to sign an agreement with the City to commit to the affordable housing requirements.

Rents and resident incomes for the affordable units must be certified on an annual basis for the length of the required affordability period.

Projects will also be subject to the City's Minority and Women-Owned Business Enterprises (MWBE) and workforce goals. The City's MWBE goal is 30% of the total estimated value of the CUE benefit over the 12-year exemption term, the workforce minority goal is 20%, the workforce female goal is 6.9%, and the City of Rochester resident workforce goal is 25%.

Developers must submit a plan to the City's MWBE Officer for approval that describes how the developer will seek to achieve the City's MWBE and workforce participation goals ("MWBE Plan"). Developers shall submit monthly reporting to the City of Rochester during construction to ensure that goals are being met, and may be required to engage a third-party compliance monitor.