



FINANCIAL RESOURCES
FOR
DOWNTOWN HOUSING DEVELOPMENT

Updated, September 2006



Rochester Downtown Development Corporation
Rochester, New York

INTRODUCTION

As the national trend of Center City revitalization continues to open new markets in mid-sized urban areas, Rochester's downtown is experiencing a renaissance.

To facilitate new construction and adaptive reuse projects, information on a wide variety of available financial resources has been compiled that contains a listing of resources, summary and contact information. This document provides program summaries only, and interested individuals are encouraged to contact the source entities to obtain more detailed materials and to confirm the most current program, eligibility and application information. Originally compiled in the spring of 2001, addendums were added to the document in October 2002, October 2004, and 2005. Revisions are ongoing, and your suggestions are welcomed.

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Table of Contents

I. FINANCING OPTIONS

▪ Tax Credits and Incentives	
▪ Brownfields Tax Incentive (BTI)	5
▪ Conversion Urban Exemption Program (CUE)	5
▪ Incentive Tax Credit Program (ITC)	6
▪ Historic Preservation Tax Credits	6
▪ Low-Income Housing Tax Credits (LIHTC)	7
▪ Loan Sources and Bond Programs	
▪ Commercial Lending Institutions	7
▪ Federal Home Loan Bank Community Lending Programs	7
▪ Freddie Mac Multifamily Programs	8
▪ Mixed-Income Ratio Programs	8
▪ Section 108 Loan Guarantees	9
▪ SONYMA/ Mortgage Insurance Fund Credit Enhancement	9
▪ City of Rochester Commercial Loan Fund Program	10
▪ City of Rochester East Main Street Assistance Program	10
▪ Grant Opportunities	
▪ City of Rochester Commercial Building Renovation Program	10
▪ Brownfields Economic Development Initiative (HUD-BEDI)	11
▪ Brownfields Economic Redevelopment Initiatives	11
▪ Economic Development Initiative (HUD-EDI)	11

II. ADDITIONAL PROGRAMS AND AGENCIES

▪ American Heritage Rivers Initiative	12
▪ Commercial Tax Abatement Program	12
▪ Community Development Block Grant Programs (CDBG)	12
▪ Community Development Financial Institutions Fund (CDFI)	12
▪ Community Preservation Corporation (CPC)	13
▪ Empire Opportunity Fund (EOF)	13
▪ Empire Zones (EZ)	13
▪ Federal Community Reinvestment Act (CRA)	14
▪ GreatRate Interest Subsidy Program, County of Monroe	14
▪ HubZone Empowerment Contracting Program	15
▪ Industrial Revenue Bonds	15
▪ NYSEERDA Energy-Efficiency Resources	16
▪ Renewal Community Program	16
▪ “Restore NY Community Initiative (ESDC)	17
▪ Section 179 Expensing (IRS Empowerment Zone)	17
▪ Tax Exempt Bond Financing	18
▪ The Enterprise Foundation	18
▪ Urban Renewal Districts	18
▪ 1996 Clean Water/ Clean Air Bond & EPF Grants	19

III. APPENDICES

A: Summary of Government Contacts.....	20
B: Financial Institutions/Mortgage Brokers/Bankers.....	21

I. FINANCING OPTIONS

TAX CREDITS AND INCENTIVES

Brownfields Tax Incentive

The Brownfields Tax Incentive (BTI) was signed into law in August 1997 as part of an effort by the Federal government to spur the cleanup and redevelopment of brownfields in distressed urban and rural areas.

In particular, the BTI seeks to address financial obstacles to the deduction of remediation costs by property owners who want to remediate their property and put it to a different use, as well as would-be purchasers of contaminated sites who heretofore would have had to purchase the site at its impaired value and capitalized the attendant remediation costs over time (thus, by definition putting them at a disadvantage in terms of remediation expenditures). More to the point, the BTI allows property owners to deduct certain environmental remediation costs rather than capitalizing them as a property improvement.

(For more information, call (800) 346-5009, (212) 637-3675 or (202) 260-4039, or visit <http://www.irs.ustreas.gov>)

Conversion Urban Exemption Program (CUE)

Under this new legislation, Rochester and other municipalities of 50,000 or more offer property tax exemptions to developers and building owners to convert vacant office space and properties to residential housing units and commercial uses. Patterned after a similar initiative in New York City during the Guiliani administration, empty former warehouses, retail and office space can be transformed with this new legislation that offers building owners and developers a 12-year property tax exemption for conversion to residential lofts and commercial uses. The CUE program includes the following incentives:

- Property tax exemptions for the first eight tax years equal to 100% of the value added to the portion of a building that is attributable exclusively to residential construction of a combination of residential and commercial mixed uses.
- Property tax exemption of 80% in year ten, 60% in the eleventh year, 40% in year twelve, and a 20% exemption in year thirteen.
- Properties designated as landmarks would receive property tax exemption for residential and commercial reconstruction work on the following schedule: 100% for the first nine years, 80% in year ten, 60% in year eleven, 40% in year twelve, and 20% in year thirteen.

Contact the Community Development Department, City of Rochester, at 585.428.7527 for information regarding local enactment.

Incentive Tax Credit Program (ITC)

A product of the “Tax Reform Act of 1986”, this historic preservation program offers a 20 percent tax credit to property owners who undertake the certified, major rehabilitation of income-producing buildings listed on the National Register of Historic Places or situated in a locally certified historic district. In addition, a 10 percent tax credit is available to property owners who rehabilitate non-historic, non-residential buildings built before 1936.

The “20 percent” ITC program is jointly administered by the National Park Service, the New York State Office of Parks, Recreation and Historic Preservation’s Historic Preservation Field Services Bureau, and the Internal Revenue Service (IRS). For both credits, the rehabilitation must be substantial and must involve a depreciable building. Unlike an income tax deduction, the tax credits lower the amount of taxes owed (generally on a dollar to dollar basis).

(For further information, contact the NYS Office of Park, Recreation and Historic Preservation at <http://www.NYSParks.state.ny.us/field/projrevcomp/> or by phone at (518) 237-3276, the National Park Service at (617) 223-5191 and/or the Internal Revenue Service by visiting their website at <http://www2.cr.nps.gov/tps/tax/brochure2.htm>.)

Historic Preservation Tax Credits

Passed in mid-2006 by the New York State Legislature, the measure (Assembly 11987/Senate 8392) provides for a State Income Tax credit for rehabilitation costs of historic commercial and residential structures. The bill seeks to encourage new investment in the reuse of historic buildings in urban and rural communities throughout New York State by making State and National Register-listed owner-occupied residential structures in distressed areas eligible for a credit that covers 20% of exterior rehabilitation costs, up to a credit value of \$25,000. (Approximately 11,000 historic residential structures are qualified statewide, primarily in urban neighborhoods.)

The bill also includes incentives for historic commercial properties. National-Register listed or eligible commercial properties that qualify for the Federal Rehabilitation Tax Credit would qualify for an additional New York State Income Tax Credit, covering 30% of rehabilitation costs, up to a credit value of \$100,000.

According to the Preservation League of NYS, the residential rehabilitation program will provide a first-ever financial incentive for homeowners and homebuyers for upkeep and stewardship of historic homes.

(For further information, contact Colleen Ryan, Director of Public Relations at the Preservation League of NYS---518-462-5658 (ext.17). Or visit their website at <http://www.preservenys.org>.)

State Low-Income Housing Tax Credit Program (SLIHC)

Established under the 1986 Tax Reform Act, the Low-Income Housing Tax Credit Program (LIHC) seeks to promote private sector involvement in the retention and production of rental housing that is reserved for low-income households.

The NYS Division of Housing and Community Renewal administers a NYS version of the Federal program which allows tax credits for mixed-income projects (e.g., market-rate and affordable units). In this program, 40% of the units must be set aside for households whose incomes are at or below 90% of the area median income. This leaves 60% of the units in a project with allowable market-rate rents.

(For more information, contact the NYS Division of Housing and Community Renewal through their website at <http://www.dhcr.state.ny.us/ocd/progs/lihc/ocdprgli.htm>, or call them at (585) 842-2244.)

LOAN SOURCES AND BOND PROGRAMS

Commercial Lending Institutions

Commercial institutions offer construction and permanent mortgage loans to assist developers in refinancing, building, or expanding commercial and institutional facilities. Such institutions can also assist developers in gaining access to secondary market financing for mortgage loans. Interest rates are based on margins over the applicable US Treasury Security yields. Application/commitment fees are generally one percent or less, depending on loan quality. Examples of other financing tools offered by commercial banks include: short-term construction loans advanced monthly with terms of up to 24 months, and seven-year commercial mortgage term loans.

The commercial field includes institutional lenders, insurance companies, and mortgage investment conduits. In addition, Federal Home Loan Bank member banks can borrow on Community Investment Program long-term rates to provide long-term financing (e.g., Freddie Mac).

(For more information, see Appendix B: Commercial Lenders Contact List, and Appendix C: Mortgage Brokers/Bankers Contact List.)

Federal Home Loan Bank Community Lending Programs: Community Investment Program (CIP) and Affordable Housing Program (AHP)

The Federal Home Loan Bank System is comprised of its original thrift bank members as well as commercial banks, credit unions, and insurance companies. Among the Federal Home Loan

Bank's housing and economic development programs are the Community Investment Program (CIP) and the Affordable Housing Program (AHP).

The CIP is a housing and community lending program which provides reduced interest-rate advances for housing benefiting families with incomes at 115 percent or less of area median income, and for economic development projects located in low- and moderate-income neighborhoods or that benefit families with incomes at or below 80 percent of area median income. In addition to the CIP Advances, the CIP offers a CIP Letter of Credit (CIP LOC) in which any payment made by the Bank pursuant to the CIP LOC will constitute a CIP Advance. The CIP LOC may be used to facilitate transactions that promote home financing, housing activity, or financing of commercial and economic development activities that benefit low- and moderate-income families or activities that are located in those populations' neighborhoods.

The AHP provides subsidized advances and grants to finance owner-occupied homes for households with incomes at or below 80 percent of the area median income. AHP financing may also be used for rental housing in which at least 20 percent of the units are occupied by and affordable to households with incomes at or below 50 percent of area median income.

(For more information regarding these and other FHLB programs, call (212) 441-6826 or visit their website at <http://www.fhlbny.com/cmtyclevl/cip/cip.htm>.)

Freddie Mac Multifamily Programs

Freddie Mac offers a variety of multifamily loan origination and servicing programs, including programs for:

- Conventional cash mortgages
- Second mortgages
- Bond credit enhancement
- Negotiated transactions
- Senior housing and assisted living
- Rate-reset mortgages
- Streamlined refinancing

In general, eligible properties include garden, mid-rise and high-rise apartments, as well as cooperative properties.

(For more information call the Northeast Regional Offices of Freddie Mac at (212) 418-8900, or visit <http://www.freddiemac.com>)

Mixed-Income Ratio Programs

This financing structure derives its name from the decision of an owner/developer to reserve one of the following:

- 20 percent of the units in a newly constructed or renovated, predominantly market-rate housing project for occupancy by households at or less than 50 percent of the area’s median income, OR
- 40 percent of the units for households at or below 60 percent of area’s median.

The owners' agreement to comply with the above triggers the issuance of tax-exempt private activity bonds, and the proceeds of the sale of these bonds in turn help to finance the project. On most such transactions regulatory limitations on the project costs that are eligible to be financed will create funding gaps that must be filled with other sources of capital, requiring additional debt or investment of additional equity.

(Information on these programs is accessed through private lenders.)

Section 108 Loan Guarantees

Through Section 108, HUD guarantees notes issued by units of general local government for the financing of economic revitalization and development activities including:

- Housing and rehabilitation of privately owned buildings for residential purposes
- Expanding for-profit businesses
- Financing and rehabilitation of low-income and public housing
- Site improvement on community-owned land leased to a developer for a commercial or industrial development project
- Site development
- Purchase of buildings or land for economic development
- Infrastructure development that includes street reconstruction and/or sewer repairs.

(For more information, see their website at <http://www.hud.gov>)

SONYMA/Mortgage Insurance Fund Credit Enhancement

A mortgage loan financing mechanism insured by the NYS Mortgage Agency Mortgage Insurance Fund, SONYMA loans provide permanent financing by way of the proceeds from the issuance of bonds by the NYS Housing Finance Agency. Such loans may not be less than \$1 million or greater than \$20 million. Eligible properties include mixed-income developments with a mix of market rate and affordable units, and 100% “affordable” developments where all the units are occupied by low- and moderate-income households.

(For more information, contact the New York State Housing Finance Agency at (212) 688-4000, ext. 386, or visit their website at <http://www.nyhomes.org>).

Commercial Loan Fund Program, City of Rochester

Developers interested in attracting tenants to mixed use facilities may consider the Commercial Loan Fund Program. This program provides loans of \$10,000 to \$500,000 to assist private sector job creation and retention for new or expanding commercial businesses located in the low/moderate income areas in the City of Rochester. Proceeds will generally be used for working capital, equipment, and owner-occupied real estate. Funds cannot be used to repay existing indebtedness. Businesses that qualify include the following: service, wholesale, retail, and others.

(For more information, contact the City of Rochester Economic Development Department at (585) 428-6808.)

East Main Street Assistance Program, City of Rochester

This program provides loans of \$10,000 to \$250,000 to property and business owners in the East Main Street area between the Genesee River and Stillson Street. The goal of the program is to promote investment, job creation, and retention in the core area of Rochester's Center City. The flexibility of this program allows the City to provide assistance for a variety of uses, through low interest loans or loan-to-grant financing. Consideration for assistance under this program will be at the sole discretion of the City, and will be subject to a complete financial review of the project and applicant. There is a limited amount of funds available, and preference will be given to those eligible projects that would have the most significant impact on the revitalization of the targeted area.

(For more information, contact the City of Rochester Economic Development Department at (585) 428-6808.)

GRANT OPPORTUNITIES

Commercial Building Renovation Program, City of Rochester

Mixed use facility applications: the purpose of the program is to create, increase, or maintain occupancy in commercial buildings by encouraging property and business owners to invest, relocate, or expand within the City of Rochester. This program provides matching grants of up to \$30,000 to property owners within the City of Rochester toward the cost of permanent building renovations, or an expansion/addition to an existing building.

(For more information, contact the City of Rochester Economic Development Department at (585) 428-6808.)

U. S. Dept. of Housing and Urban Development Brownfields Economic Development Initiative (HUD—BEDI)

The Brownfields EDI is coordinated by HUD as part of their effort to provide communities with the financial and technical assistance necessary to revitalize brownfields. Grant funds in this program are available to Community Development Block Grant (CDBG) entitlement communities and non-entitlement communities eligible to receive loan guarantees (Section 108). BEDI grant funds can be used for land writedowns; site remediation costs; funding reserves; over-collateralizing the Section 108 loan; direct enhancement of the security of the Section 108 loan; and provisions of financing to for-profit businesses at below-market interest rates.

(For more information, visit their website at <http://www.hud.gov>.)

Brownfield Economic Redevelopment Initiatives

- Pre-Development Matching Grant Program – Brownfields Assistance Program: These funds are available for developers to assist them in the investigation of brownfields problems prior to the purchase of properties (grants of up to \$25,000 are available to established firms and developers);
- Brownfields Cleanup Revolving Loan Fund Pilot: Created in September 1997, this Pilot program has initially handcuffed by restrictive onerous requirements. Consequently, the City of Rochester had considered returning unused funding to the EPA; however, in January the Bush administration signed the Small Business Liability Relief and Brownfield Revitalization Act, announcing that existing grants would be “grandfathered” under new legislation due to be formally released in October/November 2002. City officials reported that draft guidelines published in September 2002 suggested a easing of requirements, and that they would retain the funding in anticipation of the new guidelines.

For further information, contact the City of Rochester’s Economic Development Department at 585.428.6808 and/or Department of Environmental Services at 585.428.7000, or visit the City’s website at www.ci.rochester.ny.us.

U.S. Dept. of Housing and Urban Development - Economic Development Initiative (HUD-EDI)

The EDI provides grants to be used in tandem with Section 108 guaranteed loans for economic revitalization projects. These grants will enhance the viability of such projects (through interest rate subsidies and debt service/operating reserves) and increase the likelihood that the Section 108 loans can be repaid from project revenue.

(For more information, visit their website at <http://www.hud.gov>.)

II. Additional Agencies and Programs

American Heritage Rivers Initiative

This program supports local communities efforts to revitalize and maintain riverfront areas. Local communities can apply for assistance through their state and metropolitan planning organizations. Eligible projects include those that will improve economic or environmental viability of riverfront neighborhoods and districts.

(For more information, visit <http://www.fhwa.dot.gov/environment/te/resources.htm>)

Commercial Tax Abatement Program

The City of Rochester offers a commercial tax abatement program which allows for the negotiation of municipal real estate property tax relief for office, retail and other commercial developments. This program can be used to reduce costs for housing/mixed-use projects by lowering the early years tax-side operating expenses for the non-housing portion of the project.

(For more information, contact Steve Golding, Economic Development Department, City of Rochester, (585) 428-6895.)

Community Development Block Grant Program (CDBG)

CDBG provides annual formula grants to entitled metropolitan cities (50,000 or more people) and urban counties (20,000 or more people) and to States for distribution to nonentitled communities to carry out a wide range of community development activities. Funded activities pertinent to this compendium include construction of public facilities and improvements (streets, sidewalks, sewers, and water systems) and technical assistance to for-profit businesses (including microenterprises).

(For more information, see their website at <http://hud.gov>)

Community Development Financial Institutions Fund (CDFI)

The CDFI fund was created to expand the availability of credit, investment capital, and financial services in distressed urban, rural, and Native American communities. The Fund's investments

work to build private markets, create healthy local economies, promote entrepreneurship, restore neighborhoods, generate local tax revenues, and empower residents.

(For more information, visit <http://www.treas.gov/cdfi>.)

Community Preservation Corporation (CPC)

The CPC is a private not-for-profit mortgage lender comprised by over 90 financial institutions that specializes in the proffering of low interest loans in New York State. In particular, the CPC specializes in the financing of affordable housing and makes construction and permanent loans to private and not-for-profit owners to create, rehabilitate, refinance, and preserve residential multi-family properties. The CPC is an approved seller/servicer of Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) financing tools.

(For more information, or visit <http://www.communitycp.com>.)

Empire Opportunity Fund (EOF)

Provides financial assistance for:

- Infrastructure or capital facilities related to the development of industrial facilities, business parks and incubators (total, \$50 million state-wide);
- The development of downtown and rural area projects that increase the availability of commercial and retail activity (total, \$25 million state-side); and,
- The development of tourism destinations and facilities that are likely to attract a significant number of visitors from outside the region (total, \$25 million state-wide).

Eligible applicants include counties, cities, towns and villages, not-for-profits, IDA's, BID's, and businesses. EOF requires a 3:1 match which must be made with cash expenditures. Project costs must be a minimum of \$500,000.

For complete program deadlines and applications, visit www.nylovesbiz.com.

Empire Zones (EZ)

The EZ program formally expired in August 2004; however, NYS lawmakers voted to extend the current apparatus until March 2005. In early April 2005 the program was extended for a new five-year period ending March 31, 2010. Reform proposals adopted by the State in 2005 included the following: establishment of 12 new zones; tougher zone performance standards; shortening of benefit terms to ten years for those businesses certified after April 1, 2005; and creation of "flex zones," so that one square mile per year could be allocated for major attraction projects.

Certified businesses in Empire Zones can access special incentives to encourage economic development, business investment and job creation. Certified businesses in the zone could qualify for significant tax credits, sales tax benefits, as well as a utility discount. Benefits include the following:

- Wage Tax Credits: The New York State Income Tax Credit is available for up to five consecutive years for qualified EZ certified companies hiring full-time employees in newly created jobs within the zone;
- Investment Tax Credits (ITC) and Employment Incentive Credit (EIC);
- 485-e Property Tax Abatement: This abatement provides a reduction in the taxable assessment base upon physical renovation or new construction within the Zone (ten-year schedule with ramp up beginning in seventh year);
- Sales Tax Refund: 8% refund of sales tax paid on purchases of building materials used in commercial and industrial improvement projects with the EZ;
- Zone Capital Credit: This NYS Income Tax Credit of 25% of the eligible investment or contribution is available for qualified investments in a Zone Capital Corporation—a direct equity investment in a certified EZ business or a contribution in an approved community development project located within the Zone;
- Tax Credit Reduction: A firm’s tax liability can be cut below the Alternative Minimum Tax (AMT) if the firm expands and is entirely within the Zone;
- Real Property Tax Credit: These credits cuts a company’s liability to the AMT or the fixed dollar amount;
- Sales-tax Exemption: This exemption is from the four percent state sales and user taxes for tangible personal property and services purchased by a qualified business.

For further information regarding the Zones, please contact the City of Rochester Empire Zone office at 585.428.6853, or visit the City’s website at www.ci.rochester.ny.us.

Federal Community Reinvestment Act (CRA)

The CRA of 1977 requires federal regulators of lending institutions to encourage lending within the local area of the institution, particularly to low- and moderate-income residents and those residing in inner-city neighborhoods. CRA-driven lending programs can make “conversion areas” more attractive to developers.

(For more information, visit <http://www.treas.gov/cdfi>.)

GreatRate Interest Subsidy Program, County of Monroe

GreatRate is a potential attraction or retention program for a developer of a mixed-use facility with for-profit commercial tenants who are seeking to purchase machinery or equipment while meeting the County’s job creation requirements. This program provides businesses with an interest rate subsidy due on a fixed rate loan or a capital lease used to purchase machinery or equipment. The subsidy will be 4% if the equipment is purchased locally, 3% otherwise (rate

cannot be subsidized below 1%). Locally is defined as purchasing equipment from a vendor in Monroe, Genesee, Livingston, Ontario, Orleans, or Wayne County. GreatRate criteria include: the business must be a non-retail, for-profit business; meet the SBA's definition of a small business; be headquartered in Monroe County; and create one job for every \$50,000 in loan or lease subsidized up to \$200,000 or increase employee base by \$10,000, whichever is less, and the job creation must occur in Monroe County within 12 months of loan or lease closing.

In addition, companies that receive GreatRate benefits through the Monroe County Industrial Development Corporation (MCIDC) for the purchase of equipment may now be eligible for a sales tax exemption on the purchase of equipment.

(For more information, call (585) 428-2970 or visit <http://www.growmonroe.com>.)

HUBZone Empowerment Contracting Program

The HUBZone Program provides federal contracting assistance/preferences for qualified small business concerns (SBCs) located in historically underutilized business zones. The goal of the HUBZone initiative is to increase employment opportunities, stimulate capital investment in those areas, and empower communities through economic leveraging and the “multiplier effect”, i.e. The participating companies must also maintain a “principal office” in one of these specially designated areas and 35% of its employees must reside in a HUBZone. HUBZone qualified businesses enjoy the following potential benefits when applying for federal contracts:

- Set-aside awards when there is an expectation that two or more HUBZone qualified SBCs will submit bid offers (and that the contract will be awarded at a fair market price).
- Sole source awards
- Awards through full and open competition after application of a price preference as provided to HUBZone SBCs
- Subcontracting: All subcontracting plans for large business Federal contractors must include a HUBZone subcontracting goal.
- Eligible HUBZone firms can qualify for higher SBA-guaranteed surety bonds on construction and service contract bids.

For more information regarding the HUBZone Program and to access their application system go to <http://www.sba.gov/hubzone>.

Industrial Revenue Bonds

Industrial Revenue Bonds are offered by municipalities as incentives for capital investment projects such as acquisition, construction, and/or renovation. The IR bonds have the same basic structure as commercial or conventional issuances; however, the bonds offer the developer property and sales tax benefits. Collaterally, these capital investment projects generally qualify developers for state and local tax exemptions and/or abatements.

(For more information, contact the, County of Monroe Industrial Development Agency (COMIDA), (585) 428-2186.)

New York State Energy Research and Development Authority (NYSERDA) Energy-Efficiency Resources for New Construction/Substantial Renovations for Five or More Family Buildings

Cash incentives are available for the following types of projects: 1) change of use and reconstruction of an existing building or space within; or 2) construction work of a nature requiring that the building or space within be out of service for at least 30 consecutive days; or 3) reconstruction of a vacant structure or space within. The program offers cash incentives for the following:

- New Construction: Approved energy efficient measures and the option for a consultant to review design plans to recommend energy-efficient measures;
- “Green” Buildings: Same as above, plus extensive consultant assistance in analyzing construction material and helping locate local “green” (energy-efficient) products;
- Bulk Purchasing: Cash incentives for ENERGY STAR appliance and lighting, as well as a recycling program for refrigerators and air conditioners. Eligible applicants include counties, cities, towns and villages, not-for-profits, IDA’s, BID’s, and businesses. EOF requires a 3:1 match which must be made with cash expenditures. Project costs must be a minimum of \$500,000.
- Solicitations: In addition to the programs above, NYSERDA also provides funding opportunities through solicitations.

For complete program deadlines and applications, visit <http://www.nyserdera.org>

Renewal Community Program

In mid-October 2004 the US Congress approved a corporate tax bill that expanded the territory and benefits of the Renewal Community Program. Internal Revenue Code provisions and local area eligibility designations allow a variety of federal tax incentives that can benefit downtown developers, businesses, and commercial real estate revitalization projects. The incentives allowable under this program include:

- No capital gains on property within the zone acquired between January 1, 2002, and December 31, 2009. The property must be held for at least five years.
- An employment credit if you hire people who live and work in the wider local “renewal community” (includes a large portion of the city) of a maximum of \$1,500 per “qualified” employee;
- Increased Section 179 deduction of an additional \$35,000 (total of \$59,000 in 2002, \$60,000 in 2003) for “qualified” renewal community businesses that purchase “qualified renewal” property (primarily for equipment and machines);

- Commercial revitalization deduction for “qualified revitalization” in non-residential buildings;
- Capital gain exclusion for investors holding ownership for more than five years;
- Work opportunity credit for all businesses who hire from a targeted pool living in the larger renewal community zone (e.g., TANF recipients, veterans, ex-felons, high-risk youth, etc.); and,
- Credit for hiring a “Welfare to Work” individual.
- Expansion of the program in 2003 allowed for nearly \$400 million in potential tax break incentives.

Contact the IRS with questions at communityrenewal@irs.gov, or check out their website at www.irs.gov by typing “Renewal Communities” in the search option.

“Restore NY Community Initiative” Revitalization Program

In the 2006-07 enacted New York State budget, the Empire State Development Corporation (ESDC) received a \$300 million appropriation to implement the Restore NY initiative to help revitalize neighborhoods, and leverage private sector investment as a means to retain and attract residents and businesses. The plan is specifically designed to help finance ongoing efforts to revitalize urban centers, encourage economic development, and improve housing in communities throughout the state.

Municipalities will submit proposals to ESDC for funding under a specific set of criteria. To the extent possible, funding will be awarded in a geographically proportionate manner based on the qualified applications received. Special consideration will be given to projects located in Brownfield Opportunity Areas or Empire Zones; those affected by recent and unusual flooding in June 2006 and designated as federal declared disaster areas; and communities with severe economic distress and/or dislocation.

ESDC is making \$50 million available for the first round of grants and soliciting proposals from municipalities for competitive review. The maximum grant a municipality may receive is \$5 million and each award must be matched by a municipal contribution of at least 10 percent. Only municipalities may apply.

In August 2006 ESD officials conducted meetings with local officials throughout the state to discuss and explain further the Initiative.

(For more information, visit the State’s website at <http://www.nylovesbiz.com> or email restoreny@empire.state.ny.us .)

Section 179 Expensing (IRS Empowerment Zone)

Under Section 179 of the Internal Revenue Code, this incentive increases the tax deductions that a business located in an Empowerment Zone can claim for “qualified zone property” in the tax

year it is placed into service, up to certain maximum levels. However, these limits are increased for certain “qualified zone property” placed in service by an Empowerment Zone business. Such businesses are permitted an extra \$20,000 per year in Section 179 deductions.

(For more information, see IRS Publication 954, Tax Incentives for Empowerment Zones and other Distressed Communities or visit their website at <http://www.irs.ustreas.gov>.)

Tax-Exempt Bond Financing

Tax-exempt Enterprise Zone (EZ) facility bonds generally have lower interest rates than conventional financing. To qualify, 95 or more of the net proceeds of the bond issue must be used to finance “qualified zone property” whose principal user is an EZ business.

(For more information, visit <http://www.irs.ustreas.gov>.)

The Enterprise Foundation

The Enterprise Foundation provides grants, loans, training and technical assistance to community-based nonprofit organizations to develop individual assets such as homeownership and employment. Enterprise has raised and invested more than \$3.4 billion in loans, grants and equity to build or renovate 107,000 apartments and houses.

The Enterprise Social Investment Corporation (ESIC) provides financial and development services to affordable housing developments and invests equity in those that qualify for Low Income Housing Tax Credits. ESIC also will be an investor on mixed-use New Markets Tax Credit projects.

(For more information, contact Alma Balonon-Rosen at (585) 454-2750.)

Urban Renewal Districts

Under the aegis of the City of Rochester, the Rochester Urban Renewal Agency (RURA) can package an urban renewal district for City administration submission to the Rochester City Council for approval. Urban Renewal Districts are appropriate for larger scale projects, and can serve as a powerful land assembly and land cost write down mechanism. Such districts can also afford future adjacent “use” protections for such projects, beyond the existing zoning code.

(For more information, contact Mr. Carlos Carballada, Economic Development Commissioner, City of Rochester, (585) 428-6808.)

1996 Clean Water/Clean Air Bond & EPF Grants

For communities interested in downtown revitalization, the NYS Office of Parks, Recreation & Historic Preservation (OPRHP) administers three funding programs: Historic Preservation; Parks; and Acquisition. Municipalities, State agencies, and not-for-profit corporations are among those eligible to apply for the matching bonds and grants. For 2000 there is a cap of \$350,000 for grants under the EPF program and \$500,000 for grants under the Bond Act.

(For more information, visit <http://www.epa.gov>)

Appendix A

SUMMARY OF GOVERNMENT CONTACTS

CITY OF ROCHESTER

- Visit the City of Rochester's website at www.cityofrochester.gov
- Community Development Department, Director of Housing, (585) 428-6814
- Economic Development Department, Commissioner of Economic Development, (585) 428-6808
- Rochester Economic Development Corporation (REDCO), Empire Zone Coordinator, (585) 428-6853

COUNTY OF MONROE

- Department of Planning, (585) 428-5345, or visit www.connectrochester.com
- County of Monroe Industrial Development Agency (COMIDA), (585) 428-2186

NEW YORK STATE

- Empire State Development Corporation, Finger Lakes Regional Office, Regional Director, (585) 325-1944
- NYS Office of Parks, Recreation and Historic Preservation, (518) 237-3276
- NYS Division of Housing and Community Renewal (LIHC), (585) 842-2244, or visit <http://www.dhcr.state.ny.us/ocd/progs/lihc/ocdprgli.htm>
- NYS Housing Finance Agency, (212) 688-4000, ext. 386, or visit <http://www.nyhomes.org>

U.S. GOVERNMENT

- National Park Service, (617) 223-5191
- Internal Revenue Service (IRS), <http://www2.cr.nps.tax.brochure2.htm>
- U.S. Treasury Department, <http://www.irs/ustreas.gov>
- Federal Home Loan Bank (FHLB), (212) 441-6826, or visit <http://www.fhlbny.com/cmtydevl.htm>
- U.S. Department of Housing and Urban Development, <http://www.hud.gov>

Appendix B

FINANCIAL INSTITUTIONS/MORTGAGE BROKERS/
BANKERS

Bank of America

1 East Avenue
Rochester, NY 14604
1-800-841-4000

Bank of Castile

3252 Chili Avenue
Rochester, NY 14624
(585) 889-0170

Canandaigua National Bank

18 State Street
Pittsford, NY 14534
(585) 385-2810

Chase Manhattan Bank

1 Chase Square
Rochester, NY 14643
1-800-935-9935

Citibank

28 East Main Street
Rochester, NY 14604
(585) 546-0510

Citizen's Bank

40 Franklin Street
Rochester, NY 14604
(585) 258-3105

Delta Point Capital Management

45 East Avenue
Rochester, New York 14604
585-454-6990

First Monroe

1840 S. Winton Road
Rochester, New York 14618
585-506-9780

First Niagara

2000 Winton Road, Suite 101
Rochester, NY 14618
(585) 256-2920

Genesee Regional Bank

3380 Monroe Avenue
Pittsford, NY 14534
(585) 218-4280

HSBC

1 HSBC Plaza
Rochester, NY 14639
(585) 238-7366

Key Bank

100 Bausch & Lomb Plaza
Rochester, NY 14604
(585) 263-4745

Legg Mason Wood & Walker

1900 HSBC Plaza
Rochester, New York 14604
585-232-6850

M&T Bank

255 East Avenue
Rochester, NY 14604
(585) 258-8204

National Bank of Geneva

Professional Banking Center
Techniplex Mall
(585) 381-2000

Normandy Corporation

46 Prince Street
Rochester, New York 14607
585-256-2600

Nothnagle Home Securities Corporation

1501 Monroe Avenue
Rochester, New York 14618
585-461-4110

Pavilion State Bank

4390 Buffalo Road
Rochester, N. Chili 14514
(585) 594-4480

Relin, Goldstein & Crane, LLP

1800 First Federal Plaza
Rochester, New York 14614
585-325-6202

Security Mortgage Group

2 State Street
Rochester, NY 14614
585-423-0230

(To be included on this list, please e-mail us at rddc@rddc.org. We apologize for any oversights and welcome your information.)