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GOVERNOR'S OFFICE OF STORM RECOVERY ANNOUNCES $24 MILLION FOR 155 LONG ISLAND PROPERTIES PURCHASED BY NY RISING ACQUISITION PROGRAM AND SOLD AT STATE'S SECOND AUCTION

The newest round of 81 Nassau County and 74 Suffolk County properties build on efforts to acquire and auction storm-damaged homes for redevelopment. Program demonstrates Governor Cuomo's investment and commitment to economic resiliency, as the State continues to build back better from Superstorm Sandy, Hurricane Irene and Tropical Storm Lee.

New York, NY (November 17, 2015) – The Governor's Office of Storm Recovery (GOSR) today announced the sale of 155 Long Island residential properties, which were auctioned on Tuesday, November 17 as part of the NY Rising Acquisition Program. The Hyatt Regency hotel in Hauppauge, New York, drew a morning crowd of nearly 500 people for the Nassau County auction, and over 400 people were in attendance for the Suffolk County auction in the afternoon. The properties are to close on or about 45 days from the auction. Paramount Realty USA− the Long Island-based real estate company hired by the State to direct and oversee the proceedings− represents owners in the marketing and sale of real estate, specializing in auctions.

"Through the NY Rising Acquisition Program, we are pursuing yet another avenue to increase the resiliency of the State's communities," said Executive Director of GOSR, Lisa Bova-Hiatt. "This auction marks another critical milestone in this innovative disposition initiative, as we continue to build back better and stronger than before."

The primarily South Shore properties, which are located in 22 villages and towns throughout Nassau and Suffolk Counties, were auctioned at minimum upset prices ranging from $67,500 to $510,000. While all 155 properties were purchased by the State for a total of $64 million, they were collectively resold for $24 million. In Nassau County, the auction included 15 properties in Island Park, 14 properties in Freeport, 11 properties in Long Beach, 11 properties in Massapequa, 10 properties in East Rockaway, and 20 additional properties in six more towns and villages. In Suffolk County, the auction included 39 properties in Lindenhurst, 15 properties in Babylon, and 19 additional properties in nine more towns and villages.

Bidders consisted of major area and regional builders and developers, as well as local contractors and families seeking to build new homes for themselves. Each bidder had the opportunity to inspect most of the properties and access numerous due diligence documents− including appraisals, title reports, surveys, property photographs, and more.

"We are excited to continue our work with the Governor's Office of Storm Recovery," said Misha Haghani, Principal of Paramount Realty USA. "More importantly, our sales today of 155 properties brings our cumulative sales to nearly 300 Long Island properties on behalf of GOSR to date—and we are very happy to play a role in a process that is helping repair the damage caused by Superstorm Sandy and other natural disasters."

The State has so far purchased 166 properties in Nassau County, totaling $65 million, and 158 properties in Suffolk County, totaling $63.5 million, through the Acquisition Program.

As part of the first auction, held in spring of 2015, the State sold 134 properties for $21 million.

The goal of the Acquisition Program, which operates alongside the NY Rising Buyout Program, is to make storm-impacted neighborhoods stronger and more resilient than ever before. As such, the Acquisition Program aims to spur the new construction of homes in a more robust and energy-efficient manner− thereby serving to replace storm-damaged properties that have remained vacant.

Conversely, properties in the Buyout Program are sold and held by the State in perpetuity− being returned to nature, and forever serving as a protective barrier for homes in surrounding communities. To date, 115 Suffolk County properties, totaling $44.3 million, have been purchased through the NY Rising Buyout Program.

Proving to be the first of their kind, both programs make the State a leader in these innovative disposition plans− which will enable New York to reinvest in storm-damaged communities more quickly and prevent properties from falling into further disrepair.

The acquisition and auction efforts, which correspond with Governor Andrew M. Cuomo's broader vision for recovery, pave the way for continued growth and economic resiliency, while maintaining the tax base, preserving housing stock and upholding property values.

All redevelopment of the properties must be consistent with local use and zoning regulations and must be completed− as evidenced by a duly issued final Certificate of Occupancy from the local building department− three years of the date of the closing. In the case that these conditions are not met, the property will revert back to the Housing Trust Fund Corporation (HTFC).

Income generated from the auctions will be used in accordance with the State's Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan, which includes allocations for multi-family affordable housing and Public Housing Assistance Relief.

GOSR will oversee building milestones to ensure progress.

Established in June 2013, GOSR coordinates Statewide recovery efforts for Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee. Through its NY Rising Housing Recovery, Small Business, Community Reconstruction and Infrastructure programs, more than $4 billion made available through the HUD CDBG-DR Program to better prepare New York for future extreme weather events. More information about the GOSR and its programs is available online at http://stormrecovery.ny.gov/.

About Paramount Realty USA

Based in New York, Paramount Realty USA (PRUSA) is a real estate firm that exclusively represents owners in the marketing and sale of real estate via auction and sealed bid strategies, generating market value on an accelerated basis. The company leads auction programs for a broad range of residential and commercial properties, including luxury single-family homes, condominiums, retail and mixed-use property, development sites, hospitality and income-producing property. PRUSA's programs provide clients with the competitive advantages they seek in both robust and challenging markets, connecting serious buyers with serious sellers on an accelerated basis. For more information, visit www.prusa.com.

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