



For Immediate Release

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**GOVERNOR'S OFFICE OF STORM RECOVERY ANNOUNCES OVER \$22 MILLION FOR 150
LONG ISLAND PROPERTIES PURCHASED BY NY RISING ACQUISITION PROGRAM**

81 Nassau and 69 Suffolk properties acquired and auctioned for redevelopment demonstrates Governor Cuomo's investment and commitment to economic resiliency, as the State continues to build back better from recent storms.

New York, NY (May 21, 2015) – The Governor's Office of Storm Recovery (GOSR) today announced the sale of 150 Long Island residential properties, which were auctioned off on Tuesday, May 19 and Wednesday, May 20 as part of the NY Rising Acquisition Program. Each day, more than 300 attendees filled the grand ballroom of the Hyatt Regency Hotel in Hauppauge, New York to take part in the event—with bidders making offers on all 150 properties. The properties will enter closing in summer of 2015. 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 auction.

“Through the NY Rising Acquisition Program, we are making properties available at a fraction of their pre-storm value, while also working to increase the resiliency of the State's vibrant coastal communities,” said Executive Director of GOSR, Jamie Rubin. “These first-of-their-kind auctions are a critical milestone for the State's housing recovery, and an important step forward in our efforts to build back better and stronger than before.”

The primarily South Shore properties, which are located in 25 villages and towns throughout Nassau and Suffolk Counties, had sale prices ranging from \$65,000 to \$535,000. While all 150 properties were purchased by the State for a total of \$38 million, they were collectively resold for \$22 million. In Nassau County, the auction included 17 properties in Island Park, 15 properties in Freeport, 11 properties in Long Beach, 11 properties in Massapequa, nine properties in East Rockaway and nearly 30 additional properties in other towns and villages. In Suffolk County, the auction included 26 properties in Lindenhurst, 14 properties in Babylon and more than 20 additional properties in other 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 to access numerous due diligence documents— including appraisals, title reports, surveys, property photographs, and more.

“We are very pleased to be part of such a significant public-private process where, over the course of just two days, 150 properties were conveyed to the private sector, yielding revenue that will be used to further existing storm recovery efforts,” said Paramount Realty USA Principal Misha Haghani. “More importantly, this will in turn generate a tremendous infusion of capital and investment into the communities devastated by Superstorm Sandy and other natural disasters. We at Paramount Realty USA are proud to have played a role in this process and look forward to our continued partnership with the State.”

The State has so far closed on 115 properties (totaling more than \$45.2 million) in Nassau County and 111 properties (totaling \$43.7 million) in Suffolk County through the Acquisition Program. Through the undertaking, Long Island homeowners have received a median payment of more than \$395,000.

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 90 Suffolk County properties, totaling \$34 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/>.

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