



New York City Comptroller
John C. Liu

NEWS RELEASE

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**COMPTROLLER LIU: PENSION FUNDS INVESTING
\$500 MILLION IN SANDY REDEVELOPMENT**
*Capital Will Rebuild 3,000 Units of Affordable Housing and
Help Small Businesses, Mostly in Outer Boroughs*

NEW YORK, N.Y. — City Comptroller John C. Liu today announced that four of the five New York City pension funds have voted to invest \$500 million in residential and commercial real estate, focused in areas affected by Superstorm Sandy. With leverage, it is anticipated that this will result in a \$1.5 billion capital infusion for potentially 3,000 units of housing and 150,000 to 200,000 square feet of commercial space. The investment is pending approval tomorrow by the New York City Fire Department Pension Fund.

“The \$1.5 billion rebuilding program will become the bricks and mortar neighborhoods need to rebuild from Sandy’s wrath,” **Comptroller Liu** said. “This investment demonstrates the steadfast commitment of City employees and retirees to pursue opportunities that are not only expected to deliver strong returns, but also to generate collateral benefits for the communities they call home.”

Comptroller Liu’s Bureau of Asset Management (BAM) has worked aggressively and quickly in the few months since Sandy to bring together the Pension Funds’ capital and local real estate developers to assist in rebuilding stricken neighborhoods.

“Comptroller Liu and the BAM staff have crafted a much-needed investment program that will help the City recover from the devastation of Hurricane Sandy and provide solid risk-adjusted returns for the Funds. I believe this program will prove to be a great benefit for thousands of City residents affected by Sandy,” said **Bronx Borough President Ruben Diaz Jr.**

“I am pleased to vote in support of investing NYCERS pension funds to rebuild New York City neighborhoods affected by Hurricane Sandy,” said **District Council 37 Executive Director and NYCERS trustee Lillian Roberts**. “Our members’ hard-earned retirement money, and that of our fellow union brothers and sisters, will rebuild 3,000 units of affordable housing, and create new and refurbished commercial space. This will create hundreds of jobs during the

construction phase and in long-term employment in businesses that will locate to this space. I wish to commend my fellow trustees for voting yes to this plan and thank Comptroller Liu and his team for putting it together so quickly.”

Sandy Rebuilding Program

The New York City Pension Funds’ \$500 million investment will provide the needed equity for the projects, which are expected to utilize approximately \$1 billion of additional loans toward the total \$1.5 billion in Sandy-related building projects.

The projects will take shape in the coming months as the money is invested in repairs and construction over the next three years. The housing restored and rebuilt by the Funds’ investment will be predominantly affordable and the projects selected will be concentrated in the outer boroughs.

The investments will be made by two newly formed partnerships with Related Companies and the Hudson Companies Incorporated, which the Funds will provide with \$300 million and \$200 million respectively. The Funds are expected to earn a risk-adjusted market rate of return on the investments.

The Related investment program will focus on the renovation and reconstruction of housing that was damaged or destroyed by Sandy. The company will use the Funds’ investment in the City’s outer boroughs and low-lying areas of Manhattan. Related will also invest across NYC in multi-family housing in order to increase the overall availability of housing units to NYC residents displaced by Superstorm Sandy, with a priority on rental units. The investment will additionally create a loan program to offer property owners who face shortfalls from insurance proceeds, with funds to restore properties to full function. Related will invest \$10 million of its own funds into the overall program.

Hudson will receive \$200 million, 80 percent of which will create affordable and market-rate housing in coastal areas zoned A, B, and C that were impacted by Sandy. Hudson will acquire properties in need of repair and retrofitting. Part of the money will be used to develop properties that incorporate green and flood-prevention design technologies. Another portion of the funds will go toward retail properties. Hudson will invest an additional \$8 million into the projects.

Related Companies is headquartered in New York City and has experience in development, acquisitions, management, finance, marketing, and sales. Related has an existing portfolio of real estate assets valued at over \$15 billion. Over 40 years, Related has demonstrated a commitment to the preservation of affordable housing.

The Hudson Companies Incorporated, which is also based in New York City, is experienced in new construction, building rehabilitation, and development, including “green” building and rehabilitation of historic properties. The firm’s residential developments span the luxury, middle-income, and subsidized affordable housing markets.

New York City Comptroller John C. Liu serves as the investment advisor to, custodian, and trustee of the New York City Pension Funds. The New York City Pension Funds are composed of the New York City Employees' Retirement System, Teachers' Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund, and the Board of Education Retirement System. In addition to Comptroller Liu, the New York City Pension Funds' trustees are:

New York City Employees' Retirement System: Janice Emery, Mayor's Representative (Chair); New York City Public Advocate Bill de Blasio; Borough Presidents: Scott Stringer (Manhattan), Helen Marshall (Queens), Marty Markowitz (Brooklyn), James Molinaro (Staten Island), and Ruben Diaz, Jr. (Bronx); Lillian Roberts, Executive Director, District Council 37, AFSCME; John Samuelsen, President Transport Workers Union Local 100; Gregory Floyd, President, International Brotherhood of Teamsters, Local 237.

Teachers' Retirement System: Janice Emery, Mayor's Representative; Deputy Chancellor Kathleen Grimm, New York City Department of Education; and Sandra March, Melvyn Aaronson (Chair) and Mona Romain, all of the United Federation of Teachers.

New York City Police Pension Fund: Janice Emery, Mayor's Representative; New York City Finance Commissioner David Frankel; New York City Police Commissioner Raymond Kelly (Chair); Patrick Lynch, Patrolmen's Benevolent Association; Michael Palladino, Detectives Endowment Association; Edward D. Mullins, Sergeants Benevolent Association; Louis Turco, Lieutenants Benevolent Association; and, Roy T. Richter, Captains Endowment Association.

New York City Fire Department Pension Fund: Janice Emery, Mayor's Representative; New York City Fire Commissioner Salvatore Cassano (Chair); New York City Finance Commissioner David Frankel; Stephen Cassidy, President, James Slevin, Vice President, Robert Straub, Treasurer, and John Kelly, Brooklyn Representative and Chair, Uniformed Firefighters Association of Greater New York; John Dunne, Captains' Rep.; James Lemonda, Chiefs' Rep., and James J. McGowan, Lieutenants' Rep., Uniformed Fire Officers Association; and, Sean O'Connor, Marine Engineers Association.

Board of Education Retirement System: Schools Chancellor Dennis Walcott; Mayoral: Rosemarie Maldonado, Jeanette Moy, Ian Shapiro, Tino Hernandez, Judy Bergtraum, Freida Foster, Allison Rogovin, and Milton Williams; Patrick Sullivan (Manhattan BP), Kelvin Diamond (Brooklyn BP), Dmytro Fedkowskyj (Queens BP), Robert Powell (Bronx BP) and Diane Peruggia (Staten Island BP); and employee members Joseph D'Amico of the IUOE Local 891 and Milagros Rodriguez of District Council 37, Local 372.

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