



New York City Comptroller
Scott M. Stringer

NEWS

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COMPTROLLER STRINGER PROPOSES GREEN BONDS PROGRAM FOR NEW YORK CITY

*PLAN WOULD MAKE NEW YORK THE FIRST MAJOR CITY
IN THE NATION TO OFFER BONDS TARGETING
ENVIRONMENTAL SUSTAINABILITY*

NEW YORK, NY – In an effort to focus investment on projects that protect the environment and boost sustainability, New York City Comptroller Scott M. Stringer today introduced a plan, “[A Green Bond Program for New York City](#),” to make New York the first major city in the nation to offer Green Bonds. Green Bonds offer investors a new way to participate in the financing of environmentally conscious projects such as providing for clean water and improving the energy efficiency of buildings.

“It’s all hands on deck when it comes to finding ways to protect our environment and help make our City a better place for all of us to live,” Comptroller Stringer said. “When New York City leads, others follow, and a Green Bond program would continue New York City’s tradition as a leader in environmental policy and municipal finance.”

If implemented in New York City, Green Bonds would be issued in a common plan of finance with standard General Obligation (GO), Transitional Finance Authority (TFA) and Municipal Water Finance Authority (Water) bonds. Green Bonds could be particularly useful in financing the Administration’s ambitious resiliency projects, from green capital needs to save energy and water in affordable housing to expanded solar capacity on the rooftops of our City’s schools.

What makes Green Bonds different from traditional debt is the targeted use of bond proceeds for projects that meet accepted criteria for environmental benefit, along with additional transparency so investors can track projects and expenditures. Tax-exempt Green Bonds have been issued by several states but not yet by any major cities.

There are significant benefits to the City from a Green Bond program, including an expanded investor base, creating a model program for other cities to follow and encouraging a greener capital program.

- **Expanded Investor Base**-It is anticipated that New York City will sell more than \$30 billion in debt over the next four fiscal years to individual and institutional investors. Many of New York City's existing investors have begun to incorporate Environmental, Social and Governance criteria into their analysis. Green Bonds would enable the City to tap into that demand, expanding our buyer base and potentially lowering borrowing costs over time.
- **Market Leadership**-Just as New York City was a catalyst for change in banning smoking in restaurants, so too could our market size and presence serve as a model for the municipal marketplace, further expanding the Green Bond issuer and investment universe.
- **Greener Capital Program**-A robust Green Bonds program would require the City to evaluate its capital program to identify qualifying projects, which could in turn lead to a greater focus on environmentally beneficial projects. Following Superstorm Sandy, the 2013 update to PlaNYC, as well as other initiatives launched by the current Administration and ongoing Department of Environmental Protection expenditures, represent a large pool of potential Green Projects.

Implementing a Green Bond program would require significant investment of time in establishing criteria, identifying projects, and creating clear, regular reporting and an audit trail to meet the needs of investors. The program would be managed jointly by the Comptroller's Office and the Office of Management and Budget. The two offices would work together to define what projects would be considered Green Projects, establish coding to track projects and expenditures and incorporate Green Bonds in the capital budget process.

After selecting initial projects through a rigorous review and approval process, the City would communicate with investors about the parameters of the program, structure and sell bonds through GO, TFA and/or Water transactions and report to investors on projects and expenditures.

“Superstorm Sandy drove home for all New Yorkers how New York City must act to adapt to a changing environment. We have significant infrastructure needs, and there is a growing appetite to finance innovative projects that protect our communities. Green Bonds should be another example of how New York City leads the nation in finding solutions that work,” Comptroller Stringer said.