

Burton Towers

Newburgh, New York

Project Description

Burton Towers is a 40 year old HUD financed senior housing development. This acquisition and rehabilitation project was designed to upgrade and preserve the development as an affordable housing resource for another 30 years. Burton Towers is located in a multi-family residential neighborhood several blocks off of Broadway, the City's major commercial thoroughfare.



Project Summary

Building Type:

Multi-Family, Mid-Rise Residential

Market Category:

Affordable Senior Housing

Total Square Footage:

94,200 sq. ft.

Units:

126 units

Type of Construction:

Rehab: steel structure and brick façade materials

Owner/Developer:

Burton Towers, LLC
Scarsdale, NY

Architect

Aufgang Architects
Suffern, NY

Project Financing:

Newburgh Housing Authority
Citi Community Capital

Raymond James Tax Credit
Funds, Inc.

Orange County HOME Program

Federal Home Loan Bank of NY

Features

Burton Towers was allowed by the former non-profit owner to fall into disrepair to the point that the physical condition of the property created serious health and safety issues for the tenants. Additionally, the project was in severe distress and it owed the City of Newburgh almost \$1,000,000 in back PILOT payments and water bills. HUD instituted a foreclosure proceeding against the owner and sold the property at a public auction. The City exercised its Right of First Refusal with HUD and purchased the property for \$1.00. In response to an RFT the City selected Mountco to purchase the property for the amount of the outstanding PILOT payments and water bills, provided that Mountco commit to fully renovating Burton Towers.

Challenges and Solutions

In addition to the typical obstacles in renovating older HUD buildings using tenant-in-place rehab, Mountco faced a significant financial challenge at Burton Towers. Although HUD endorsed the City-Mountco Plan to rehab Burton Towers, due to a "glitch" in HUD regulations, the foreclosure sale terminated the Project-Based Section 8 Contract for the building. That Contract did not get reinstated for almost a year during which time Mountco had to make emergency repairs and provide operating capital out of its own funds. Because of its outstanding work to assist the tenants and rehab the building, Mountco received a Community Service Award from Senator Bill Larkin

"Before Mountco even purchased Burton Towers they came to the tenants to hear our complaints and reports. Mountco worked closely with the tenants throughout the entire rehabilitation process and they did a fine job."

-George Long, President of Burton Towers Tenant Association