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## **MOUNTCO ANNOUNCES PRESERVATION OF AFFORDABLE HOUSING UNITS FOR ORANGE COUNTY SENIORS THROUGH 2045**

Construction and Development Company receives community service award from Senator William L. Larkin

Newburgh, N.Y. (October 1, 2015) – Mountco Construction and Development Corp. (Mountco) today celebrated the fourth anniversary of taking ownership of Burton Towers with the receipt of a Community Service award from State Senator William L. Larkin.

Built over 30 years ago, Burton Towers is a 131 unit affordable housing development for senior citizens. It had fallen into such serious disrepair and financial distress that in 2011, the U.S. Department of Housing and Urban Development (HUD) foreclosed on its mortgage. HUD sold the property to the City of Newburgh which had used a Request for Proposal process to select Mountco as its development partner. The City took title from HUD and immediately sold Burton Towers to Mountco on September 30, 2011.

The project was financed through tax-exempt bonds issued by the Newburgh Housing Authority and an allocation of Federal low-income Tax Credits from the New York State Housing Finance Agency. Mountco's funding partners in the project are Citi, which purchased the bonds, and Raymond James Tax Credit Funds, Inc., which purchased the tax credits. Mountco invested over \$7.5 million in hard construction costs to renovate the property.

"Burton Towers marks the 12<sup>th</sup> time that Mountco has been able to acquire and preserve an affordable housing development. We are especially proud of the fact that we have been able to take such a distressed property and turn it into a great place to live for seniors," said Joel Mouny, President of Mountco. "We would particularly like to thank our management company, Community Housing Management Corp., as well as our financial partners, the Newburgh Housing Authority, Citibank, which has funded six of our projects, and Raymond James Tax Credit Investments, Inc. which has been our partner on six affordable housing developments, for supporting our efforts at Burton Towers. Finally, we would like to thank the Federal Home Loan Bank and Orange County for providing the 'gap' financing."

State Senator William L. Larkin, a long-time advocate for senior citizens presented Mountco with a Community Service award for its work at Burton Towers. Senator Larkin said, "Mountco truly has performed a valuable community service for our State, the City of Newburgh, and most importantly, the residents of Burton Towers. When Mountco purchased Burton Towers from the City it was an unsafe and unpleasant place to live. Mountco has completely renovated the building and, supported an active Tenant Association. Burton Towers is now able to pay its taxes and other bills. It has been a complete turn-around."

"The City of Newburgh had four developers respond to our RFQ. We selected Mountco, and as we stand here today in this wonderfully renovated building with these happy tenants, it is clear we made the right choice," said Newburgh Mayor Judy Kennedy. "The City is very pleased that it was able to help our seniors by providing a PILOT Agreement which assisted in the new refinancing."

"Citi is particularly pleased to have provided the financing for the Burton Towers project. There was a lot of work necessary to improve the building and it has turned out beautifully," remarked Richard

Gerwitz, Co-head of Citi Community Capital. "We have financed several of Mountco's projects in the past and it is no surprise that the building turned out as well as it did with Mountco leading the way."

"The Federal Home Loan Bank of New York congratulates Mountco for this well-deserved Community Service award," said José R. González, president and CEO of the Bank. "Three years ago, we were honored to partner with our member, Citibank, to provide grant funding to help Mountco renovate Burton Towers, and today we are proud that Burton Towers provides safe, decent and affordable housing for Orange County's seniors. Truly, Mountco is serving its community well."

The project created 75 construction jobs and significant construction contracting opportunities for minority and women owned businesses. Additionally, the project generated \$200,000 in municipal impact and other fees to the City, and will generate a \$30,000 annual increase in PILOT payments.

The New York State Housing Finance Agency provided an allocation of 4% tax credits for the project.

"We truly appreciate the work that Mountco has done to make our apartments and our building a safe and comfortable place to live, and the fact that Mountco has worked so cooperatively with our Tenant's Association," said Tenant Association Director Leslie Patterson.

The public sector participation of the State, County and City were all essential to the project.