



## USE RESTRICTIONS

30 Years affordable housing.

### PROJECT BASED SECTION 8 - CAUTION TO BIDDERS

A Project Based Section 8 Housing Assistance Payment (HAP) Contract will be provided to the Purchaser at closing. Project based assistance is predicated on the availability of funds. Bidders are cautioned that payments under the HAP Contract may not start immediately after closing, either due to repairs required by the Purchaser or processing time required to determine that units meet HUD's Uniform Physical Condition Standards and tenants are eligible for the assistance. Prior to receipt of the subsidy payments, Purchaser may not charge eligible tenants, who are slated to receive Section 8, more than the amount of Total Tenant Payment the tenant would be required to pay under Section 8 program. In addition, some tenants may have to be temporarily relocated due to project repairs. HUD has already accounted for these and other costs in this project's disposition process. Therefore, HUD is not obligated to make any monetary adjustments to cover any costs that may be incurred by the Purchaser. Bidders should compute their bids accordingly.

### TERMS OF SALE

The Purchaser must complete the repairs to HUD's satisfaction within 18 months after closing. The repairs are estimated to cost \$2,086,508. Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the Purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$40.80 per unit per day for each 30 day period. The High Bidder/Purchaser is responsible for paying in full all outstanding or delinquent property taxes/property tax liens that survive foreclosure at Closing. Taxes paid by the Purchaser after the Closing date will not be prorated, even if those taxes are for a period prior to Closing.

**Only Governmental Entities or local Housing Development Fund Corporations organized pursuant to Article XI of the Private Housing Finance Law of the State of New York are eligible to bid**

**A Phase I and a Phase II Environmental Analysis were completed. Please see Attachment E for the related purchase requirements.**

**There is a Payment in Lieu of Taxes Agreement (PILOT Agreement) with the City of Newburgh regarding the property. There is approximately \$272,698 owing under the Pilot Agreement. The purchaser is encouraged to work with the City of Newburgh to extend the Pilot Agreement and resolve the outstanding Pilot debt.**

The high Bidder must certify to HUD that any projects that are owned by the high Bidder or its affiliates and are located in the same jurisdiction (City or Town where Project purchased is located) as Burton Towers Apartments are in substantial compliance with applicable State and local housing statutes, regulations, ordinances and codes. The **complete and original** (Attachment F) must be received by Donald Winston, Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806 within two (2) Federal Government business days of the foreclosure sale date. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high Bidder. If HUD determines at its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high Bidder and retain the Earnest Money Deposit (See Attachment F).

**The Purchaser and HUD will execute a Project-Based Section 8 Housing Assistance Payments Contract ("HAP Contract") for (125) units at closing. HUD will provide funding for the HAP Contract subject to the availability of funds. The HAP Contract initially will be funded for a minimum of one (1) month and a maximum of twelve (12) months.**

**Bidders must demonstrate substantive experience in managing subsidized multifamily properties with project-based Section 8 assistance for the elderly, or, if directed by HUD, hire a Property Manager, prior to closing, with demonstrated substantive experience in managing subsidized multifamily properties with project-based Section 8 assistance for the elderly.**

**If the high Bidder elects to file the required Previous Participation Certification (a.k.a. Form HUD-2530) in paper format, the high Bidder must submit within two (2) Federal Government business days of the foreclosure sale, a completed and executed Previous Participation Certification (Form HUD-2530) for the proposed owner to Donald Winston- 4AHMLAU, Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806.**

**For questions about APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588.**

**PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.**

**This is an "All Cash - As Is" sale.** HUD is providing no financing for this sale. The Purchaser must provide for payment of the full purchase price in cash at closing.

**Submission of Bids:** Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

**Suspended or Debarred Parties:** No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN CFR TITLE 24, SECT. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 200.215)

### INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/pd/mfplist](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/pd/mfplist).

You may also sign up for our electronic mailing list at this web address. If you do not have internet access or cannot download a PDF file, you may obtain a copy of the bid kit by contacting Diane Trimble at (678) 732-2051.

**BIDS for Burton Towers Apartments**

**MUST BE PRESENTED ON: Sept. 30, 2011**

at: 10:00 am local time at:  
Orange County Courthouse  
285 Main Street  
Goshen, New York 10924

**HUD OFFICE:**

Atlanta MFPD Center  
Five Points Plaza  
40 Marietta St.  
Atlanta, GA 30303

**REALTY SPECIALIST:**

Donald Winston  
Phone: (678) 732-2095  
Email: donald.j.winston@hud.gov