



**KATHY HOCHUL**  
Governor

**ALFONSO L. CARNEY, JR.**  
Chair

**REUBEN R. MCDANIEL, III**  
President & CEO

***Memorandum***

**TO:** Robert S. Derico, R.A., Director, Office of Environmental Affairs

**FROM:** Sara E. Stein, AICP, LEED-AP, Senior Environmental Manager  
Office of Environmental Affairs



**DATE:** May 8, 2023

**RE:** *State Environmental Quality Review (SEQR) Type II Determination* for the InterAgency Council of Developmental Disabilities Agencies, Inc., (IAC) *2023 Refinancing and New Money Projects* (Other Independent Institutions Program)

The InterAgency Council of Developmental Disabilities Agencies, Inc. (“IAC”), has requested financing for certain not-for-profit members from the Dormitory Authority of the State of New York (“DASNY”) for its *2023 Refinancing and New Money Projects* (the “Proposed Projects”), pursuant to DASNY’s Other Independent Institutions Program. Accordingly, the Proposed Project is subject to environmental review pursuant to the *State Environmental Quality Review Act (“SEQRA”)*.

Based on a review of the attached *Transaction Summary Update* dated May 2, 2023, and other relevant documentation, it has been determined that for purposes of *SEQRA*, the Proposed Action would consist of DASNY’s authorization of the issuance of an amount not to exceed \$28,000,000 in tax-exempt and/or taxable, fixed- and/or variable-rate, Series 2023 Bonds (the “Bonds”) in one or more series, at one or more times, to be sold through a negotiated sale and/or a private placement on behalf of IAC members. The proceeds of the bond issuance would be used as a pool to finance or refinance outstanding indebtedness incurred by participating IAC members, and to finance or reimburse cash expenditures made by certain participating IAC members for property acquisition, construction and/or renovation work.

Founded in 1977, IAC is a group of approximately 130 member agencies that operate approximately 900 programs for infants, children and adults with developmental disabilities throughout New York State. Each IAC member agency is a not-for-profit corporation, formed under the laws of the State of New York, to provide human services programs to individuals with developmental disabilities or otherwise in need of mental health and rehabilitation services, educational services, substance abuse services, and residential services. Together, they serve about 90,000 clients each day in residences, special schools, job training programs, clinical and health services, and support to families. The services provided by the IAC member agencies are largely funded by the New York State Office for People with Developmental Disabilities (“OPWDD”).

The following seven IAC members participating in this bond issue are seeking to finance or refinance 19 individual projects, as described below.

**Citizens Options Unlimited, Inc., (“COU”) / Community Services Support Corporation (“CSSC”) / Nassau County AHRC Foundation Inc., (“Foundation”).** COU and CSSC, together with the Foundation, are collectively referred to as “CSSC”. COU, an affiliate agency of the Foundation, empowers clients with intellectual and developmental disabilities to achieve their goals through self-directed services. CSSC holds title to and maintains properties for various programs operated by other tax-exempt organizations, such as residential facilities for the developmentally disabled. Revenues are derived mainly from rental of its properties. The approximate aggregate principal amount of the Bonds proposed to be issued for the CSSC projects would be \$4,545,000. CSSC would use the Bonds for the financing and/or refinancing of certain existing indebtedness that was used to finance the acquisition, renovation, furnishing and/or equipping of the following properties:

- **10 Village Drive, Medford, New York (Suffolk County):** a 2-story, approximately 2,650-gsf building to serve as an IRA for 6 individuals;
- **1341 Saxon Avenue, Bayshore, New York (Suffolk County):** a 2-story, approximately 2,610-gsf building to serve as an IRA for 6 individuals; and
- **3 Jeanne Road, Lake Grove, New York (Suffolk County):** a 2-story, approximately 2,500-gsf building to serve as an IRA for 6 individuals.

CSSC is the owner and/or operator of the CSSC projects.

**Developmental Disabilities Institute, Inc., (“DDI”).** DDI serves children and adults with autism and other developmental disabilities, providing educational, residential, habilitative, vocational, transportation, and service coordination support to the Long Island community. The approximate aggregate principal amount of the Bonds proposed to be issued for the DDI projects would be \$2,885,000. DDI would use the Bonds for the financing and/or refinancing of certain existing indebtedness that was used to finance the acquisition, renovation, furnishing and/or equipping of the following properties:

- **47 Birchwood Drive, Unit 47, Port Jefferson Station, New York (Suffolk County):** a 2-story, approximately 1,140-gsf condominium building to serve as an IRA for 3 individuals;
- **242 Chestnut Street, Port Jefferson Station, New York (Suffolk County):** a 2-story, approximately 1,860-gsf building to serve as an IRA for 6 individuals;
- **1407-09 Middle Road, Calverton, New York (Suffolk County):** a 1-story, approximately 1,560-gsf manufactured home on a leased parcel of land to serve as an IRA for 3 individuals; and
- **18 Alvord Court, Greenlawn, Town of Huntington, New York (Suffolk County):** a 2-story, approximately 2,500-gsf building to serve as an intermediate care facility (“ICF”) for 6 individuals.

DDI is the owner, except where indicated as leased, and/or operator of the DDI projects.

**General Human Outreach in the Community Incorporated (“GHOC”).** GHOC is a not-for-profit agency that provides support services for people with developmental disabilities, with special attention to the needs of the underserved Asian-American community. The approximate aggregate principal amount of the Bonds proposed to be issued for the GHOC project would be \$4,425,000. GHOC would use the Bonds for the

financing and/or refinancing of certain existing indebtedness previously used to finance the leasing, renovation, furnishing and/or equipping of the following property:

- **188-52 120<sup>th</sup> Road, St. Albans, New York (Queens County):** a 2-story, approximately 2,940-gsf building to serve as to serve as an IRA for 8 individuals; and
- **118-14 193<sup>rd</sup> Street, St. Albans, New York (Queens County):** a 2-story, approximately 2,950-gsf building to serve as to serve as an IRA for 12 individuals.

GHOC is the operator and/or operator of the GHOC projects.

**HASC Center, Inc. (“HASC”).** HASC is a not-for-profit agency that provides residential services, day programs, and in-home residential habilitation services for adults and children with developmental disabilities and their families. The approximate aggregate principal amount of the Bonds proposed to be issued for the HASC project would be \$625,000. HASC would use the Bonds for the financing and/or refinancing of certain existing indebtedness previously used to finance the leasing, renovation, furnishing and/or equipping of the following property:

- **918 50<sup>th</sup> Street (1<sup>st</sup> and 2<sup>nd</sup> Floors), Borough of Brooklyn, New York (Kings County):** a 2-story approximately 1,370-gsf building to serve as an IRA for 10 individuals; and
- **3521 Avenue L, Borough of Brooklyn, New York (Kings County):** a 2-story approximately 5,220-gsf building to serve as an IRA for 11 individuals.

HASC is the owner and/or operator of the HASC project.

**HeartShare Human Services of New York (“HHS”).** HHS nurtures and empowers children and adults with intellectual and developmental disabilities, including Autism Spectrum Disorders, through education, life skills and vocational training, employment, residential, case management, recreational, individual and family supports, and health care services. The approximate aggregate principal amount of the Bonds proposed to be issued for the HHS projects would be \$5,895,000. HHS would use the Bonds for the financing and/or refinancing of certain existing indebtedness previously used to finance the leasing, renovation, furnishing and/or equipping of the following property:

- **172-07 35<sup>th</sup> Avenue, Flushing, Borough of Queens, New York (Queens County):** a 2-story, approximately 2,290-gsf building to serve as an IRA for 6 individuals;
- **79 Glascoe Avenue, Borough of Staten Island, New York (Richmond County):** a 2-story, approximately 2,300-gsf building to serve as an IRA for 7 individuals;
- **603 Beach 19<sup>th</sup> Street, Far Rockaway, Borough of Brooklyn, New York (Kings County):** a leased, 2-story, approximately 9,450-gsf building to serve as an IRA for 14 individuals;
- **84-29 153<sup>rd</sup> Avenue, Unit 2CD, Howard Beach, Borough of Brooklyn, New York (Kings County):** a 1-story, approximately 1,600-gsf condominium building to serve as an IRA for 3 individuals; and
- **246 Clarke Avenue, Borough of Staten Island, New York (Richmond County):** a 2-story, approximately 2,000-gsf building to serve as an IRA for 5 individuals.

HHS is the owner, except where indicated as leased, and/or operator of the HHS projects.

**Ohel Children's Home and Family Services, Inc. ("OCHFS").** Ohel provides care and treatment to developmentally- and physically-disabled children and adults. The approximate aggregate principal amount of the Bonds proposed to be issued to OCHFS would be \$1,415,000. OCHFS would use the Bonds to finance or refinance certain existing indebtedness used to finance the acquisition, renovation, furnishing and/or equipping of the following property:

- **226 Caryl Court, Village of Lawrence, New York (Nassau County):** a 2-story, approximately 2,440-gsf building to serve as an IRA for 6 individuals.

Ohel is the owner and/or operator of the OCHFS projects.

**Young Adult Institute, Inc. ("YAI").** YAI is a not-for-profit corporation providing human services programs consisting of one or more of educational, vocational, medical, intervention and residential human services for individuals with developmental disabilities or otherwise in need of mental health and rehabilitation services, educational services, healthcare services, substance abuse services, and residential services. The approximate aggregate principal amount of the Bonds proposed to be issued for the YAI projects would be \$8,210,000. YAI would use the Bonds for the financing and/or refinancing of certain existing indebtedness previously used to finance the acquisition, renovation, furnishing and/or equipping of the properties:

- **120-120 1/2 West 16<sup>th</sup> Street, Borough of Manhattan, New York (New York County):** two, leased, 2-story buildings constituting approximately 13,680-gsf to serve as an IRA for 23 individuals; and
- **600 Deer Park Avenue, Village of Babylon, New York (Suffolk County):** a 2-story approximately 2,550-gsf building to serve as an IRA for 6 individuals.

YAI is the owner, except where indicated as leased, and/or operator of the YAI projects.

DASNY completed this environmental review in accordance with *SEQRA*, codified at Article 8 of the New York *Environmental Conservation Law ("ECL")*, and its implementing regulations, promulgated at Part 617 of Title 6 of the *New York Codes, Rules and Regulations ("N.Y.C.R.R.")*, which collectively contain the requirements for the *State Environmental Quality Review ("SEQR")* process.

It has been determined that the Proposed Project would involve the *"replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes"*, which is a Type II action as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(2) of *SEQR*. The *"...refinancing of existing debt"*, the *"purchase or sale of furnishings, equipment or supplies, including surplus government property"* and the *"license, lease and permit renewals, or transfers of ownership thereof, where there will be no material change in permit conditions or the scope of permitted activities"* are also Type II actions as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(29), 6 *N.Y.C.R.R.* § 617.5(c)(31) and 6 *N.Y.C.R.R.* § 617.5(c)(32), respectively.

Type II “actions have been determined not to have significant impact on the environment or are otherwise precluded from environmental review under Environmental Conservation Law, article 8.”<sup>1</sup> Therefore, no further SEQR determination or procedure is required for any component of the proposed project identified as Type II.

The Proposed Projects were also reviewed in conformance with the *New York State Historic Preservation Act of 1980* (“SHPA”), especially the implementing regulations of Section 14.09 of the *Parks, Recreation, and Historic Preservation Law* (“PRHPL”), as well as with the requirements of the Memorandum of Understanding (“MOU”), dated March 18, 1998, between DASNY and the New York State Office of Parks, Recreation, and Historic Preservation (“OPRHP”). In compliance with Article III, Section 3.0 of the MOU, OPRHP would be notified of the Proposed Projects being funded with the grant proceeds.

The HHS-leased property at 603 Beach 19<sup>th</sup> Street in Far Rockaway, Brooklyn, is the former St. Mary of the Sea Convent-McKenna Conference Center, which is eligible for listing in the State and National Registers of Historic Places (“S/NR”). Proposed renovations would involve interior improvements to meet the Americans with Disabilities Act (“ADA”) regulations.

The YAI-leased property at 120-120 1/2 West 16<sup>th</sup> Street in Manhattan is the Former New York House and School of Industry, which is a New York City-designated Landmark and is also eligible for listing in the S/NR. The proposed renovation was review by OPRHP, and its letter dated December 30, 2020, OPRHP rendered an opinion that “*the project will have No Adverse Impact on this historic resource*” with certain conditions that have subsequently been met.

It is the opinion of DASNY that the Proposed Projects would have no impact on historic or cultural resources in or eligible for inclusion in the S/NR.

#### Attachments

cc: Frederick W. Clark III, Esq.  
Matthew Bergin  
SEQR File  
OPRHP

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<sup>1</sup> 6 N.Y.C.R.R. § 617.5(a).

# Transaction Summary Update

InterAgency Council of Developmental Disabilities Agencies, Inc.  
("IAC")

May 2, 2023

Program: Other Independent Institutions

Purpose: Refinancing and New Money

## New Issue Details

One or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$28,000,000 with maturities not to exceed 26 years are to be sold at one or more times through a negotiated offering and/or a private placement.

- Lead Manager – Municipal Capital Markets Group, Inc.
- Co-Bond Counsel – Barclay Damon LLP  
Lewis & Munday, P.C.
- Underwriter's Counsel – McCarter & English, LLP

## Purpose

Refinancing of outstanding indebtedness and reimbursement for, or payment of, cash expenditures incurred. The pool is anticipated to include seven participating members of InterAgency Council of Developmental Disabilities Agencies, Inc. ("IAC") including:

- Citizen Options Unlimited, Inc./ Community Services Support Corporation/Nassau County AHRC Foundation, Inc. – OPWDD PPA - NYS Office for People with Developmental Disabilities ("OPWDD") Prior Property Approval ("PPA") funded facilities (\$3.7 million);
- Developmental Disabilities Institute, Inc. – OPWDD PPA funded facilities (\$2.3 million);
- General Human Outreach in the Community Incorporated – OPWDD PPA funded facilities (\$2.8 million);
- HASC Center, Inc. – OPWDD PPA funded facilities (\$463,000);
- HeartShare Human Services of New York - OPWDD PPA funded facilities (\$4.9 million);
- Ohel Children's Home and Family Services, Inc. – OPWDD PPA funded facilities (\$1.2 million);
- Young Adult Institute, Inc. (YAI) – OPWDD PPA funded facilities (\$7.0 million)

## Expected Security

- A pledge of all public funds attributable to each financed project.
- Standby intercept of all public funds attributable to each financed project.
- A debt service reserve fund.
- Mortgages on real property, where available.

**Expected Ratings:** Aa2/NR/NR

## Overview

In 1976, the lack of minimum standards of adequate care revealed at the Willowbrook State School in Staten Island resulted in a "consent decree" which called for New York State to engage in a planned process for downsizing its institutions and moving former residents into community-based homes. A small group of 30 non-profit agencies, mostly founded and operated by parents of children with developmental disabilities, banded together in an inter-agency council to work with government in designing, developing, and operating a new service system. IAC's first goal was to have an agreement with the State of New York to build and operate the community-based homes, but only if government funds to develop programs for those leaving the institutions were matched on an equal basis with funds to develop programs for those still living at home. IAC's present membership includes over 130 agencies that operate programs for infants, children, and adults.

Together, they serve about 90,000 people each day in residences, special schools, job training programs, clinical and health services, and support to families, providing services primarily in New York City and Rockland, Westchester, Nassau, and Suffolk counties.

In 2009, a bill was enacted which amended the DASNY statute and authorized DASNY to issue bonds on behalf of IAC members. The Series 2023 Bonds will be the sixteenth series of bonds issued under the IAC statute. Each IAC borrower will be obligated to repay only that portion of bond proceeds loaned to such borrower.

# Transaction Summary Update

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InterAgency Council of Developmental Disabilities Agencies, Inc.  
("IAC")

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May 2, 2023

Program: Other Independent Institutions

Purpose: Refinancing and New Money

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## Approvals

- Resolution to Proceed – March 1, 2023
- PACB Approval – March 17, 2023
- TEFRA Hearing – May 5, 2023\*
- SEQR – May 8, 2023\*

\*Anticipated date.

## Recent Information

The original pool of participants presented to the Board at the Resolution to Proceed included 7 participants and 17 projects. Since the Resolution to Proceed, Heartshare Human Services of New York has added two additional projects. There are now 7 participants, with 19 projects being financed, all of which have PPAs.

## Recommendation

Staff recommends that the Board adopt the necessary documents for one or more series of bonds with maturities not to exceed 26 years in an amount not to exceed \$28,000,000.

*This Transaction Summary Update was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institutions in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institutions, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.*

*The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institutions pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institutions as security for the Bonds.*

# Transaction Summary

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InterAgency Council of Developmental Disabilities Agencies, Inc. February 21, 2023  
("IAC")

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Program: Other Independent Institutions

Purpose: Refinancing and New Money

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## New Issue Details

Approximately \$23,860,000 in tax-exempt and/or taxable, fixed, and/or variable rate, Series 2023 Bonds in one or more series, at one or more times, for a term not to exceed 26 years, are to be sold through a negotiated sale and/or a private placement.

### Purpose

Refinancing of outstanding indebtedness and reimbursement for, or payment of, cash expenditures incurred. The pool is anticipated to include seven participating members of InterAgency Council of Developmental Disabilities Agencies, Inc. ("IAC") including:

- Citizen Options Unlimited, Inc./ Community Services Support Corporation/Nassau County AHRC Foundation, Inc. – OPWDD PPA - NYS Office for People with Developmental Disabilities ("OPWDD") Prior Property Approval ("PPA") funded facilities (\$3.6 million);
- Developmental Disabilities Institute, Inc. – OPWDD PPA funded facilities (\$2.3 million);
- General Human Outreach in the Community Incorporated – OPWDD PPA funded facilities (\$3.7 million);
- HASC Center, Inc. – OPWDD PPA funded facilities (\$463,000);
- HeartShare Human Services of New York - OPWDD PPA funded facilities (\$3.5 million);
- Ohel Children's Home and Family Services, Inc. – OPWDD PPA funded facilities (\$1.2 million);
- Young Adult Institute, Inc. (YAI) – OPWDD PPA funded facilities (\$7.0 million)

### Expected Security

- A pledge of all public funds attributable to each financed project.
- Standby intercept of all public funds attributable to each financed project.
- A debt service reserve fund.
- Mortgages on real property, where available. See Attachment I.

**Expected Ratings:** Aa2/NR/NR

## Overview

In 1976, the lack of minimum standards of adequate care revealed at the Willowbrook State School in Staten Island resulted in a "consent decree" which called for New York State to engage in a planned process for downsizing its institutions and moving former residents into community-based homes. A small group of 30 non-profit agencies, mostly founded and operated by parents of children with developmental disabilities, banded together in an inter-agency council to work with government in designing, developing, and operating a new service system. IAC's first goal was to have an agreement with the State of New York to build and operate the community-based homes, but only if government funds to develop programs for those leaving the institutions were matched on an equal basis with funds to develop programs for those still living at home. IAC's present membership includes over 130 agencies that operate programs for infants, children, and adults.

Together, they serve about 90,000 people each day in residences, special schools, job training programs, clinical and health services, and support to families, providing services in primarily New York City and Rockland, Westchester, Nassau, and Suffolk counties.

In 2009, a bill was enacted which amended the DASNY statute and authorized DASNY to issue bonds on behalf of IAC members. The Series 2023 Bonds will be the sixteenth series of bonds issued under the IAC statute. Each IAC borrower will be obligated to repay only that portion of bond proceeds loaned to such borrower.

## Additional Information

- Essentiality: The seven borrowers in this pool are all 501(c)(3) organizations that provide services that are an essential function of state government. These services are State mandated and benefit New York State residents who have developmental disabilities.
- History and Experience of the Not-For-Profit Borrowers: The seven borrowers in this pool have experience and a history of providing needed services to this population.
- OPWDD Prior Property Approvals (PPA): OPWDD has issued PPAs for all 17 projects. The PPA evidences OPWDD's commitment to pay funds directly to the provider sufficient to pay depreciation



DASNY

DIVISION OF PUBLIC FINANCE AND PORTFOLIO MONITORING  
PORTIA LEE, MANAGING DIRECTOR  
PREPARED BY: ALEX SIRDINE (518) 257-3714



# Transaction Summary

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InterAgency Council of Developmental Disabilities Agencies, Inc. February 21, 2023  
("IAC")

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Program: Other Independent Institutions

Purpose: Refinancing and New Money

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and interest payments associated with the financing undertaken to effectuate each PPA project, which commitment is subject to appropriation.

- Standby Intercept of Public Funds including OPWDD: The financing structure will provide for a standby intercept of OPWDD funds up to each borrower's allocable share of debt service.
- Replacement Operators: If a provider does not deliver adequate service or the provider is no longer able to operate the project in a fiscally viable manner, OPWDD may take administrative action to replace the operator and ensure that services continue to be provided. For PPA projects, the amounts payable under the PPA, subject to annual appropriations, will continue to flow to pay debt service as long as the project continues to be operated.
- Funding Subject to Government Appropriations: The projects and services are paid for through reimbursement arrangements with OPWDD. OPWDD receives much of its funding through governmental appropriations, which, if decreased, could have a negative impact on the revenues of the borrowers.

## Recommendation

The attached staff report recommends that the Board adopt a Resolution to Proceed for one or more series of bonds with maturities not to exceed 26 years in an aggregate amount not to exceed \$28,000,000.

*This Transaction Summary was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.*

*The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.*

# Transaction Report

## InterAgency Council

**THE PROGRAM:** InterAgency Council of Developmental Disabilities Agencies, Inc. (IAC) was founded in 1977 and is a not-for-profit membership corporation of voluntary providers of services to the developmentally disabled in the New York City metropolitan area. IAC is supported by over 130 agencies that serve the needs of the residents of New York State who have developmental disabilities.

Prior to 1972, most individuals in the State with developmental disabilities lived in state institutions referred to as "State Schools." In 1973, the parents of individuals living at the Willowbrook State School filed suit in federal court over the living conditions at the Willowbrook State School. Subsequently, the plaintiffs, and those similarly situated, were certified as a class (the "Willowbrook Class") for purposes of the suit. In 1975, as a result of the Willowbrook Class action suit, the State of New York entered into a consent decree (the "Willowbrook Consent Decree") committing itself to a program of improving community placement for the Willowbrook Class. In the Willowbrook Consent Decree, the State acknowledged the right of the Willowbrook Class to active treatment and resolved to reduce the number of individuals with developmental disabilities in State Schools to 250 by 1981. Shortly thereafter, Governor Hugh Carey extended similar benefits to all qualifying individuals with developmental disabilities. To achieve the goals of the Willowbrook Consent Decree, the State agreed to provide people with developmental disabilities with an opportunity for growth and development in the "least restrictive environment" and to provide them with a full and suitable education program. In an effort to formalize the State's compliance with the Willowbrook Consent Decree, a statute creating OMRDD was signed into law in 1977 and OMRDD began operating on April 1, 1978. OMRDD's name was subsequently changed to the Office for People with Developmental Disabilities ("OPWDD"). As a result of the efforts of the State and OPWDD, most individuals with developmental disabilities receive housing in community residences, or at home with the assistance of family support services, rather than at State schools. In addition, they attend suitable day schools or day habilitation programs in the community. These services are provided primarily by the numerous not-for-profit corporations approved, and largely funded, by OPWDD.

Historically, IAC members financed their capital needs through the New York State Medical Care Facilities Finance Agency ("MCFFA") voluntary agency program. More recently, IAC members financed their capital needs through numerous IDAs throughout the state, most notably the New York City IDA. IAC represents approximately 130 voluntary providers in the New York metropolitan area. IAC members provide services in the areas of clinical and diagnostic service; early intervention, preschool, and school-age education; residential service; vocational

rehabilitation; adult day services, and transportation and family support services. The main purpose of IAC is to plan, coordinate and integrate the voluntary-operated services to this population in the metropolitan area, and promote both private and public policies and programs in furtherance of the welfare of this population.

**DASNY Financing History:** This will be the sixteenth issuance of bonds issued through DASNY for members of IAC under this program. All seven of the borrowers have issued debt through DASNY previously. Set forth below are tables detailing bonds issued using the IAC pool structure as well as bonds previously issued on behalf of the individual borrowers included in this pooled IAC financing.

Table 1A InterAgency Council Financings Outstanding Debt Table as of 12/31/2022			
Institution	Series	Amount Issued	Amount Outstanding
IAC Pooled Loan Program	2010 - 2020 (tax-exempt)	\$ 236,410,000	\$ 131,425,000
	2010 - 2020 (taxable)	11,325,000	1,865,000
IAC Pooled Loan Program	2021A-1	24,605,000	24,355,000
	2021A-2(taxable)	3,580,000	2,770,000
Total		\$ 275,920,000	\$ 160,415,000

  

Table 1B InterAgency Council Borrower Financings Outstanding Debt Table as of 12/31/2022			
Institution	Series	Amount Issued	Amount Outstanding
Citizens Options Unlimited/CSSC/ Nassau Cty. AHRC Foundation, Inc.	IAC 2018A&B Pool	\$ 4,335,000	\$ 3,885,000
	IAC 2021A Pool	3,415,000	3,310,000
Developmental Disabilities Institute, Inc.	IAC 2016B Pool	2,355,000	1,985,000
	IAC 2019A Pool	10,005,000	9,060,000
	IAC 2021A Pool	3,535,000	3,410,000
General Human Outreach in the Community Incorporated	IAC 2017A Pool	1,375,000	1,195,000
HASC Center, Inc.	IAC 2013A Pool	3,770,000	1,685,000
	IAC 2015A Pool	4,700,000	1,455,000
	IAC 2017A Pool	1,960,000	1,710,000
	IAC 2021A Pool	1,045,000	840,000
HeartShare Human Services of New York	IAC 2021A Pool	3,760,000	3,610,000
Ohel Children's Home and Family Services, Inc.	IAC 2014A Pool	5,775,000	1,840,000
	IAC 2016B Pool	16,065,000	13,025,000
Young Adult Institute, Inc.	IAC 2010A Pool	13,595,000	2,550,000
	IAC 2015A Pool	7,470,000	805,000
	IAC 2016A Pool	9,295,000	6,175,000
	IAC 2018A Pool	2,250,000	2,005,000
	IAC 2019A Pool	6,580,000	5,995,000
	IAC 2020A Pool	8,465,000	8,020,000
IAC 2021A Pool	5,535,000	5,370,000	
Total		\$ 115,285,000	\$ 77,930,000

**THE BORROWERS AND THE PROJECTS:** The borrowers in this IAC transaction provide services that are an essential function of State government serving New York State residents who have developmental disabilities.

It is expected that seven IAC members will borrow the proceeds of the Series 2023 Bonds. The proceeds of the Series 2023 Bonds will be used to refinance taxable loans incurred by these borrowers to acquire and/or

renovate their respective facilities and to reimburse certain borrowers for cash expended on capital projects.

All these members are not-for-profit organizations exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Historically, the borrowers have drawn funds from their working capital lines of credit to acquire and/or renovate

new facilities. When renovations are completed, the borrowers refinance their short-term debt with long-term tax-exempt bonds. Each of the projects originally entailed the acquisition and/or renovations of facilities. Table 2 below shows the project costs and the funding sources for the projects to be financed.

<b>Borrower</b>	<b>Year Founded</b>	<b>Project Costs</b>	<b>PPA OPWDD</b>	<b>Total</b>
Citizens Options Unlimited, Inc.	1982	\$3,573,345	\$3,573,345	\$3,573,345
Developmental Disabilities Institute, Inc.	1961	2,274,619	2,274,619	2,274,619
General Human Services in the Community Incorporated	1992	3,671,264	3,671,264	3,671,264
HASC Center, Inc.	1963	462,549	462,549	462,549
HeartShare Human Services of New York	1914	3,458,810	3,458,810	3,458,810
Ohel Children's Home and Family Services, Inc.	1969	1,165,044	1,165,044	1,165,044
Young Adult Institute, Inc.	1957	6,946,845	6,946,845	6,946,845
<b>TOTAL</b>		<b>\$21,552,476</b>	<b>\$21,552,476</b>	<b>\$21,552,476</b>

**FINANCING DETAILS:** Attachment II provides the detail for the proposed \$23.9 million in Series 2023 Bonds. Issuance expenses, including the DASNY fee, the various counsels' fees and the underwriter's discount are estimated at approximately \$1.5 million. A debt service reserve fund will also be funded with bond proceeds.

**Public Purpose/Essentiality:** The State has a long history of providing care for developmentally disabled persons. The method of caring for this population, however, changed in the 1970's from institutional settings to more home-like settings. In addition, as a result of the Willowbrook Consent Decree, the State committed itself to a program of improving community placement for this population. The State has addressed its responsibility with respect to these individuals by increasing community placement and closing state-operated facilities. These community-based service providers deliver an essential function of State Government and combined, are so numerous that the State system of serving developmentally disabled individuals cannot exist without them.

The not-for-profit borrowers included in these financings provide community-based services that are an essential function of State Government and have long and established track records of providing services to this population.

**Expected Security Provisions:** Each borrower's obligation under its Loan Agreement will be secured by a

pledge of public funds attributable to the financed projects. Security provisions will also include standby intercepts of these funds, certain mortgages on real property and a debt service reserve fund.

**Sources of State Assistance:** PPA related OPWDD funding provides a portion of the revenues through contracts and reimbursement arrangements for the provision of their services. Contracts between the borrowers and OPWDD are subject to annual appropriation.

**OPWDD Prior Property Approval Process ("PPA"):** All OPWDD projects are supported through PPA related contract and reimbursement arrangements with OPWDD. Prior to initiating the development of a PPA project to serve developmentally disabled individuals, a non-profit provider is required to obtain a Prior Property Approval from OPWDD. The PPA identifies funding and financing sources for capital costs and the level and method of reimbursement to the provider. Medicaid reimbursement represents a substantial source of OPWDD revenue for service providers. The State commits to support the development and operation of the project if it is completed in conformance with the PPA subject to annual appropriation of sufficient moneys by the State Legislature. More specifically, the PPA evidences OPWDD's commitment to pay funds directly to the provider sufficient to pay depreciation and interest payments associated with the financing of the facility. As such, each PPA represents approximately 1:1 coverage

on the Series 2023 Bonds attributable to each of the OPWDD PPA projects. In addition, as discussed further below, there is a standby intercept of OPWDD funds.

As further evidence of the State's involvement with these facilities, it should be noted that prior to initiating the development of a project to serve individuals with developmental disabilities, a not-for-profit provider is required by regulation to complete a Certificate of Need ("CON") process. The CON is reviewed by the OPWDD Developmental Disabilities Services Office for compliance with local government and general State plans for needed development as to the type of individuals to be served and the program to be provided.

As mentioned above, each Borrower is under contract with OPWDD to provide one or more services to persons with developmental disabilities. There are 17 projects to be financed, all of which have PPAs.

The liability for the payment of the allocable portion of principal and interest on the bonds is the sole responsibility of each of the borrowers and is not an obligation of the State of New York. Each borrower will have its own individual loan agreement and the loans are not cross-collateralized.

OPWDD State Appropriations: The State of New York has had a long commitment to ensuring that people with developmental disabilities experience health and growth while living in homes to fully participate in communities of their choice. OPWDD has had a long history of paying funds directly to the providers sufficient to pay depreciation and interest associated with the financing of the PPA approved facilities. Most recently the appropriations for OPWDD have exceeded \$7.0 billion.

Standby Intercept of Public Funds including OPWDD Funds: The Series 2023 Bonds will have a standby intercept of public funds attributable to each financed project. Pursuant to law, DASNY has the right to intercept all funds payable by any Federal, State or local agency or social services district otherwise payable to the participating IAC borrowers to meet their debt service obligations. Such Public Funds attributable to each financed project, including the OPWDD revenues and Medicaid revenues, will be pledged by the borrowers to secure their respective payment obligations in connection with the Series 2023 Bonds.

OPWDD Commissioner's Ability to Replace an Operator:

If a provider does not deliver adequate service or the provider is no longer able to operate the project in a fiscally viable manner, OPWDD may take administrative action to replace the operator and ensure that services continue to be provided. For PPA projects, the amounts payable under the PPA, subject to annual appropriations, will continue to flow to pay debt service if the project continues to be operated. OPWDD has a responsibility to ensure that the persons served by these not-for-profits are provided with quality care. These providers are regulated and licensed. As such, OPWDD is monitoring the care and services provided by its not-for-profit partners.

**SUMMARY:** The State's programs and policies demonstrate the essentiality of community-based services to the developmentally disabled population in the State of New York and the seven borrowers in this pool have had experience in providing needed services to this population. Accordingly, staff recommends the adoption of a Resolution to Proceed with a financing in an amount not to exceed \$28,000,000.

*This Transaction Report was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.*

*The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.*

## THE BORROWERS AND THE EXPECTED ADDRESSES OF THE PROJECTS

### ***Citizens Options Unlimited, Inc./Community Services Support Corporation/Nassau County AHRC Foundation, Inc. (\$3.6 million)***

Citizen's Options Unlimited, Inc. empowers people with intellectual and developmental disabilities to achieve their goals through self-directed services. They are proposing to refinance the residence facilities at the following addresses:

- 10 Village Dr., Medford, NY 11763
- 1341 Saxon Ave, Bayshore, NY 11706
- 3 Jeanne Rd., Lake Grove, NY 11755

The governmental funding source for these facilities is OPWDD (PPA funding).

### ***Developmental Disabilities Institute, Inc. (\$2.3 million)***

Developmental Disabilities Institute, Inc. serves children and adults with autism and other developmental disabilities, providing educational, residential, habilitative, vocational, transportation, and service coordination support to the Long Island community. They are proposing the refinancing of the residential facilities at the following addresses:

- 47 Birchwood Dr., Port Jefferson Station, NY 11776
- 242 Chestnut St., Port Jefferson Station, NY 11776
- 1407-09 Middle Rd., Calverton, NY 11933
- 18 Alvord Ct., Greenlawn, NY 11740

The governmental funding source for these facilities is OPWDD (PPA funding).

### ***General Human Outreach in the Community, Incorporated, Queens, New York (\$3.7 million)***

General Human Outreach in the Community, Inc. provides a wide range of services to individuals with developmental disabilities. They are proposing to finance the following facility at the following address:

- 188-52 120<sup>th</sup> Rd., St. Albans, NY 11412
- 118-14 193<sup>rd</sup> St., St. Albans, NY 11412

The governmental funding source for this facility is OPWDD (PPA funding).

### ***HASC Center, Inc., Brooklyn, NY (\$463,000)***

HASC Center, Inc. is dedicated to providing people with special needs the necessary empowerment tools to live as independently as possible. They are proposing to finance the following facility at the following addresses:

- 918 50<sup>th</sup> St., 1<sup>st</sup> & 2<sup>nd</sup> Fl, Brooklyn, NY 11219

- 3521 Avenue L, Brooklyn, NY 11210

The governmental funding source for these facilities is OPWDD (PPA funding).

### ***Heartshare Human Services of New York (\$3.5 million)***

HeartShare Human Services of New York nurtures and empowers children and adults with intellectual and developmental disabilities, including Autism Spectrum Disorders, through education, life skills and vocational training, employment, residential, case management, recreational, individual and family supports, and health care services. They are proposing improvements and the refinancing of the facilities at the following addresses:

- 172-07 35<sup>th</sup> Ave, Flushing, NY 11358
- 79 Glascoe Ave., Staten Island, NY 10314
- 603 Beach 19<sup>th</sup> St., Far Rockaway, NY 11691

The government funding source for these facilities is OPWDD (PPA funding).

### ***Ohel Children's Home and Family Services, Inc., Brooklyn, New York (\$1.2 million)***

Ohel Children's Home and Family Services, Inc. provides care and treatment to developmentally and physically disabled children and adults. They are proposing to refinance the following IRA facilities, a Day Habilitation Program facility and an ICF at the following addresses:

- 226 Caryl Ct., Lawrence, NY 11559

The governmental funding source for these facilities is OPWDD (PPA funding).

### ***Young Adult Institute, Inc., New York, NY (\$7.0 million)***

Young Adult Institute, Inc. provides a wide range of services to individuals with developmental disabilities and their families. They are proposing to refinance the residential facilities, at the following addresses;

- 120-120 ½ W. 16<sup>th</sup> St., New York, NY 10011
- 600 Deer Park Ave, Babylon, NY 11702

The governmental funding source for these facilities is OPWDD (PPA funding).



**DASNY**

Attachment I

**InterAgency Council Pooled Loan Program**

<b>BORROWER</b>	<b>EXPECTED PROPERTY ADDRESS</b>	<b>EXPECTED MORTGAGE OR LEASE</b>
<b>Citizens Options Unlimited, Inc/Community Services Support Corporation/Nassau County AHRC Foundation, Inc.</b>	10 Village Dr, Medford	Mortgage
	1341 Saxon Ave, Bayshore	Mortgage
	3 Jeanne Rd, Lake Grove	Mortgage
<b>Developmental Disabilities Institute, Inc.</b>	47 Birchwood Dr., Port Jefferson Station, NY 11776	Mortgage
	242 Chestnut St., Port Jefferson Station, NY 11776	Mortgage
	1407-09 Middle Rd., Calverton, NY 11933	Lease
	18 Alvord Ct., Greenlawn, NY 11740	Mortgage
<b>General Human Outreach in the Community (GHO)</b>	188-52 120th Rd, St.Albans, NY 11412	Mortgage
	118-14 193rd St, St. Albans, NY 11412	Mortgage
<b>HASC Center, Inc.</b>	918 50th St., 1st & 2nd Fl, Brooklyn, NY 11219	Mortgage
	3521 Avenue L, Brooklyn, NY 11210	Mortgage
<b>HeartShareHuman Services of New York</b>	172-07 35th Ave, Flushing, NY 11358	Mortgage
	79 Glasgoe Ave., Staten Island, NY 10314	Mortgage
	603 Beach 19th St., Far Rockaway, NY 11691	Lease
<b>Ohel Children's Home and Family Services, Inc.</b>	226 Caryl Ct., Lawrence, NY 11559	Mortgage
<b>Young Adult Institute, Inc.</b>	120-120 1/2 W. 16th St., NY, NY 10011	Lease
	600 Deer Park Ave, Babylon, NY 11702	Mortgage



**InterAgency Council  
Sources and Uses of Funds**

<b>Sources of Funds:</b>	<b>Tax-Exempt</b>	<b>Taxable</b>	<b>Total</b>	
Bond Proceeds	\$ 23,040,000	\$ 820,000	\$ 23,860,000	
<i>Total Sources</i>	\$ 23,040,000	\$ 820,000	\$ 23,860,000	
<b>Uses of Funds:</b>				
				% of Par
Deposit to Project Fund	\$ 21,552,476	\$ -	\$ 21,552,476	
Deposit to Debt Service Reserve Fund	756,364	16,500	772,864	
Costs of Issuance				
Dormitory Authority Fee	270,000	0	270,000	0.00%
Bond Counsel	-	200,000	200,000	0.84%
Printing	-	10,000	10,000	0.04%
Ratings	-	30,000	30,000	0.13%
Trustee	-	12,000	12,000	0.05%
Institution's Counsel	-	95,000	95,000	0.40%
IAC Admin Fee	-	59,650	59,650	0.25%
Title & Survey	-	160,000	160,000	0.67%
DAC Fee	-	70,000	70,000	0.29%
Miscellaneous	19,960	20,922	40,882	0.09%
Underwriter Discount	441,200	145,928	587,128	2.46%
<i>Total Uses</i>	\$ 23,040,000	\$ 820,000	\$ 23,860,000	

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW  
YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO  
PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE  
THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE  
FINANCING OF FACILITIES FOR INTERAGENCY  
COUNCIL FOR DEVELOPMENTAL  
DISABILITIES AGENCIES, INC.

Resolved that the staff and bond counsel be authorized to proceed to take the necessary action and prepare the appropriate documents to provide for the financing of facilities for InterAgency Council for Developmental Disabilities Agencies., Inc., provided, however, that the adoption of this Resolution imposes no duty on the part of DASNY to issue obligations for or on behalf of InterAgency Council for Developmental Disabilities Agencies, Inc.

This Resolution shall take effect immediately.