



DASNY

ANDREW M. CUOMO
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Chair

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Acting 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: February 28, 2020

RE: *State Environmental Quality Review (SEQR) Type II Determination for the InterAgency Council of Developmental Disabilities Agencies, Inc., (IAC) 2020 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 *2020 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 February 24, 2020, 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 \$29,000,000 in tax-exempt and/or taxable, fixed- and/or variable-rate, Series 2020A Bonds (the “Bonds”) 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 IAC members, and to finance or reimburse cash expenditures made by certain IAC members for property acquisition, construction and/or renovation work.

Founded in 1977, the IAC is a group of approximately 125 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 people 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.

Eden II School for Autistic Children, Inc. (“Eden II”). Eden II is a not-for-profit organization that provides educational, residential and other services to persons impacted by autism spectrum disorders. The approximate aggregate principal amount of the Bonds proposed to be issued to Eden II is \$1.5 million. Eden II would use the Bonds to refinance certain existing indebtedness previously used to finance the acquisition, renovation, furnishing and/or equipping of the following properties:

- 107 Dewey Avenue, Borough of Staten Island (Richmond County): a 2-story, approximately 2,094-gross-square-foot (“gsf”) building to serve as an IRA for 6 individuals.

Family Residences and Essential Enterprises, Inc., (“FREE”). FREE is a not-for-profit agency dedicated to supporting individuals with intellectual/developmental disabilities, mental illness and traumatic brain injury, aiding in the realization of their full potential. The approximate aggregate principal amount of the Bonds proposed to be issued to FREE would be \$6.6 million. FREE would use the Bonds to refinance certain existing indebtedness previously used to finance the acquisition of the following properties, as well as to finance and/or refinance the renovation, furnishing and/or equipping of the properties:

- 215 Atlantic Avenue, Hempstead, Town of Hempstead (Nassau County): a 1-story, approximately 4,296-gsf building to serve as an IRA for 8 individuals.
- 805 Karshick Street, Bohemia, Town of Islip (Suffolk County): a 1-story, approximately 2,975-gsf building to serve as an IRA for 6 individuals.
- 43 Cayuga Avenue, Setauket, Town of Brookhaven (Suffolk County): a 1-story, approximately 1,896-gsf building to serve as an IRA for 4 individuals.
- 179 Hickory Street, Mt. Sinai, Town of Brookhaven (Suffolk County): a 2-story, approximately 2,982-gsf building to serve as an IRA for 6 individuals.
- 10 Royal Way, Shoreham, Town of Brookhaven (Suffolk County): a 1-story, approximately 2,178-gsf building to serve as an IRA for 4 individuals.
- 8 Clark Street, Seldon, Town of Brookhaven (Suffolk County): a 2-story, approximately 3,000-gsf building to serve as an IRA for 6 individuals.

HASC Center, Inc., and HASC Diagnostic and Treatment Center, Inc. (collectively “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 to HASC would be \$3.6 million. HASC would use the Bonds to refinance certain existing indebtedness previously used to finance the leasing, renovation, furnishing and/or equipping of the following property:

- 1122 Chestnut Avenue, Unit 1, Borough of Brooklyn (Kings County): approximately 11,800-gsf of ground-floor space in a 7-story building to serve as a Federally Qualified Health Center (“FQHC”) for an estimated 1,050 individuals.

Services for the Developmentally Challenged, Inc. (“SDC”). SDC is a Bronx-based not-for-profit organization that provides services to individuals with intellectual and developmental disabilities. The

approximate aggregate principal amount of the Bonds proposed to be issued to SDC would be \$1.4 million. SDC would use the Bonds to refinance certain existing indebtedness previously used to finance the acquisition of the following property, as well as to finance and/or refinance the renovation, furnishing and/or equipping of the property:

- 904 Quincy Avenue, Borough of Bronx (Bronx County): a 2.5-story approximately 2,860-gsf building to serve as an IRA for 6 individuals.

Unique People Services, Inc. (“UPS”). UPS provides home and supportive services to individuals with special and challenging needs. The approximate aggregate principal amount of the Bonds proposed to be issued to UPS would be \$2.6 million. UPS would use the Bonds to refinance certain existing indebtedness previously used to finance the acquisition of the following properties, as well as to finance and/or refinance the renovation, furnishing and/or equipping of the properties:

- 160-18 121st Avenue, Jamaica (Queens County): a 2-story, approximately 2,100-gsf building to serve as an IRA for 6 individuals; and
- 115-29 Marsden Street, Jamaica (Queens County): a 2-story, approximately 2,250-gsf building to serve as an IRA for 6 individuals.

Young Adult Institute, Inc. (“YAI”). YAI is a not-for-profit corporation dedicated to providing comprehensive services to individuals with developmental disabilities, including residential, day habilitation and employment training, and community-based family support. The approximate aggregate principal amount of the Bonds proposed to be issued for the YAI Project would be \$8.7 million. YAI would use the Bonds to refinance certain existing indebtedness previously used to finance the acquisition of the following properties, as well as to finance and/or refinance the renovation, furnishing and/or equipping of the properties:

- 2346 Vista Court, Yorktown Heights, Town of Yorktown, (Westchester County): a 2-story, approximately 3,518-gsf building to serve as an IRA for 6 individuals.
- 5 Halsey Place, Valhalla, Town of Mount Pleasant (Westchester County): a 2-story, approximately 2,835-gsf building to serve as an IRA for 6 individuals.
- 14 Lady Godiva Way, New City, Town of Clarkstown (Rockland County): a 2-story, approximately 4,224-gsf building to serve as an IRA for 6 individuals.
- 101 Ridgeway Avenue, East Setauket, Town of Brookhaven (Suffolk County): a 2-story, approximately 2,902-gsf building to serve as an IRA for 6 individuals.
- 102 Poplar Street, Central Islip, Town of Islip (Suffolk County): a 2-story, approximately 3,056-gsf building to serve as an IRA for 6 individuals.
- 1271 Carlis Straight Path, Dix Hills, Town of Huntington (Suffolk County): a 1-story, approximately 3,042-gsf building to serve as an IRA for 6 individuals.
- 51 Hearthstone Drive, Dix Hills, Town of Huntington (Suffolk County): a 1-story, approximately 2,850-gsf building to serve as an IRA for 6 individuals.
- 40 Titus Road, Glen Cove, City of Glen Cove (Nassau County): a 2-story, approximately 3,200-gsf building to serve as an IRA for 7 individuals.

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.”¹ 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*”). It is the opinion of DASNY that the Proposed Project would have no impact on historic or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

Attachments

cc: Donna A. Rosen, Esq.
Frederick W. Clark III, Esq.
Gerard E. Klauser
SEQR File
OPRHP

¹ 6 *N.Y.C.R.R.* § 617.5(a).

Transaction Summary Update

InterAgency Council of Developmental Disabilities Agencies, Inc. February 24, 2020
("IAC")

Program: Other Independent Institutions

Purpose: Refinancing and New Money

New Issue Details

Approximately \$26,475,000 in tax-exempt and/or taxable, fixed, and/or variable rate, Series 2020A 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.

- Lead Manager – Municipal Capital Markets Group, Inc.
- Co-Bond Counsel – Barclay Damon LLP
Marous Law Group, P.C.
- Underwriters Counsel – McCarter & English, LLP

Purpose

Refinancing of outstanding indebtedness and reimbursement for, or payment of, cash expenditures incurred. The pool is anticipated to include 7 participating members of InterAgency Council of Developmental Disabilities Agencies, Inc. ("IAC") including:

- Eden II School for Autistic Children, Inc. – OPWDD PPA - NYS Office for People with Developmental Disabilities ("OPWDD") Prior Property Approval ("PPA") funded facility (\$1.5 million);
- Family Residences and Essential Enterprises, Inc. – OPWDD PPA facilities (\$6.6 million);
- HASC Center, Inc. and HASC Diagnostic and Treatment Center, Inc., an affiliate – Department of Health (Medicaid) funded Federally Qualified Health Center (FQHC) facility(\$3.6 million);
- Services for the Developmentally Challenged, Inc. – OPWDD PPA funded facility (\$1.4 million);
- Unique People Services, Inc. – OPWDD PPA funded facilities (\$2.6 million);
- Young Adult Institute, Inc. – OPWDD PPA funded facilities (\$8.7 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 120 agencies that operate 900 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 2020 Bonds will be the fourteenth 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.



DASNY

DIVISION OF PUBLIC FINANCE AND PORTFOLIO MONITORING
PORTIA LEE, MANAGING DIRECTOR
PREPARED BY: GERARD E. KLAUSER (518) 257-3635

Transaction Summary Update

InterAgency Council of Developmental Disabilities Agencies, Inc. February 24, 2020
("IAC")

Program: Other Independent Institutions

Purpose: Refinancing and New Money

Approvals

- Resolution to Proceed – January 8, 2020
- PACB Approval – January 15, 2020
- PACB Approval Update – March 18, 2020*
- TEFRA Hearing – March 6, 2020*
- SEQR – February 24, 2020*

*anticipated date

Recent Information:

One additional PPA project and one additional non-PPA project have been added to the transaction. Unique People Services will include an additional \$1.4 million PPA project to increase their total PPA projects to \$2.6 million. HASC Center, Inc., and HASC Diagnostic and Treatment Center, Inc. will include a \$3.6 million Federally Qualified Health Clinic project which receives a stream of revenue through DOH (Medicaid) eMedNY payment system which is specific to the project location. These additions will result in an increase in the not to exceed amount by \$7 million, increasing the total not to exceed amount from \$22 million to \$29 million.

Recommendation

The attached staff report recommends that the Board adopt documents for one or more series of bonds with maturities not to exceed 26 years in an aggregate amount not to exceed \$29,000,000.

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.



DASNY

DIVISION OF PUBLIC FINANCE AND PORTFOLIO MONITORING
PORTIA LEE, MANAGING DIRECTOR
PREPARED BY: GERARD E. KLAUSER (518) 257-3635

InterAgency Council

THE PROGRAM: 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 150 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 (Office of Mental Retardation and Developmental Disabilities) 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 125 corporations or three-fourths of the voluntary providers in the metropolitan area. IAC members provide service 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 fourteenth issuance of bonds issued through DASNY for members of IAC through this program. 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.

Institution	Series	Amount Issued	Amount Outstanding
IAC Pooled Loan Program	2010A-1	\$ 29,015,000	\$ 10,100,000
	2010A-2 (taxable)	655,000	-
	2010B	6,990,000	-
IAC Pooled Loan Program	2011A-1	3,715,000	1,710,000
	2011A-2 (taxable)	180,000	-
IAC Pooled Loan Program	2011B-1	8,870,000	-
	2011B-2 (taxable)	325,000	-
IAC Pooled Loan Program	2012A-1	12,285,000	3,780,000
	2012A-2 (taxable)	460,000	-
IAC Pooled Loan Program	2013A-1	14,255,000	8,455,000
	2013A-2 (taxable)	685,000	-
IAC Pooled Loan Program	2013B-1	3,860,000	2,295,000
	2013B-2 (taxable)	175,000	-
IAC Pooled Loan Program	2014A-1	12,385,000	9,075,000
	2014A-2 (taxable)	585,000	-
IAC Pooled Loan Program	2015A-1	28,115,000	14,140,000
	2015A-2 (taxable)	1,175,000	-
IAC Pooled Loan Program	2016A-1	15,665,000	13,850,000
	2016A-2 (taxable)	770,000	-
IAC Pooled Loan Program	2016B-1	28,645,000	27,310,000
	2016B-2 (taxable)	780,000	-
IAC Pooled Loan Program	2017A-1	16,190,000	15,150,000
	2017A-2 (taxable)	955,000	345,000
IAC Pooled Loan Program	2018A-1	11,705,000	11,565,000
	2018A-2 (taxable)	2,545,000	2,285,000
IAC Pooled Loan Program	2019A-1	25,885,000	25,885,000
	2019A-2 (taxable)	1,015,000	1,015,000
Total		\$ 227,875,000	\$ 146,960,000

Institution	Series	Amount Issued	Amount Outstanding
Eden II Programs, Inc.	IAC 2015A Pool	\$ 4,000,000	\$ 1,625,000
	IAC 2016A Pool	1,535,000	1,430,000
	IAC 2019A Pool	1,675,000	1,675,000
FREE, Inc.	IAC 2014A Pool	2,730,000	1,960,000
	IAC 2016A Pool	4,865,000	4,310,000
Unique People Services, Inc.	IAC 2016B Pool	3,145,000	2,945,000
Young Adults Incorporated	IAC 2010A Pool	13,595,000	5,460,000
	IAC 2015A Pool	7,470,000	2,305,000
	IAC 2016A Pool	9,295,000	7,760,000
	IAC 2018A Pool	2,250,000	2,185,000
	IAC 2019A Pool	6,580,000	6,580,000
Total		\$ 67,140,000	\$ 38,235,000

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 five IAC members will borrow proceeds of the Series 2020 Bonds. The proceeds of the Series 2020 Bonds will be used to refinance taxable loans incurred by these borrowers to acquire and/or renovate their 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.

**Table 2
InterAgency Council Pool
Funding Source**

Borrower	Year Founded	Project Costs	PPA OPWDD	Other	Total
Eden II School for Autistic Children, Inc.	1976	\$ 1,350,000	\$ 1,350,000	\$ -	\$ 1,350,000
Family Residences & Essential Enterprises, Inc.	1977	6,610,319	6,610,319	-	6,610,319
Services for the Developmentally Challenged, Inc.	1996	1,405,000	1,365,013	39,987	1,405,000
Unique People Services, Inc.	1991	1,170,880	1,135,880	35,000	1,170,880
Young Adult Institute, Inc.	1991	8,614,663	8,229,373	385,290	8,614,663
TOTAL		\$19,150,862	\$18,690,585	\$460,277	\$19,150,862

Other – represents funding from Other Public Funds including OPWDD non-PPA funding and Medicaid.

FINANCING DETAILS: Attachment II provides the detail for the proposed \$21.5 million in Series 2020 Bonds. Issuance expenses, including the DASNY fee, the various counsels' fees and the underwriter's discount are estimated at approximately \$1.6 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 1960'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 2020 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. The seventeen projects to be financed are supported by PPAs. These 17 PPA projects have a total of approximately \$19 million in approved project costs. There are four small non-PPA project components in the amount of \$460,277.

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 of ensuring that people with developmental disabilities experience health and growth while living in homes to fully participate in communities of their choice. Historically, the appropriations for OPWDD have totaled approximately \$4.7 billion. Even in years where appropriations have decreased, OPWDD has had a history of paying funds directly to the providers sufficient to pay depreciation and interest associated with the financing of the PPA approved facilities.

Standby Intercept of Public Funds including OPWDD Funds: The Series 2020 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 2020 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 five 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 \$22,000,000.

This Staff 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

Eden II School for Autistic Children, Staten Island, New York (\$1.4 million)

Eden II School for Autistic Children, Inc., supports people with autism through service, science and passion so they may achieve their full potential throughout their lives. They are proposing to refinance the Individualized Residential Alternative ("IRA") facility, at the following address:

- 107 Dewey Ave., Staten Island, NY

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

Family Residences & Essential Enterprises, Inc., Old Bethpage, New York (\$6.6 million)

FREE supports individuals with intellectual/developmental disabilities, mental illness and traumatic brain injury to realize their full potential. They are proposing to refinance the Individualized Residential Alternative ("IRA") facilities, at the following addresses:

- 215 Atlantic Ave., Hempstead, NY
- 805 Karshick St., Bohemia, NY
- 43 Cayuga Ave., Setauket, NY
- 179 Hickory Street, Mt. Sinai, NY
- 10 Royal Way, Shoreham, NY
- 8 Clark St., Seldon, NY

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

Services for the Developmentally Challenged, Inc. Bronx, New York (\$1.4 million)

Services for the Developmentally Challenged, Inc. provides services for persons with developmental disabilities. They are proposing to refinance the residence at the following address:

- 904 Quincy Ave., Bronx, NY

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

Unique People Services, Inc., Bronx, NY (\$1.2 million)

UCPNYC Inc. is a leading pioneer and provider of programs and services that improve the quality of life for people with disabilities. They are proposing to refinance the following facilities at the following addresses:

- 160-18 121st Ave., Jamaica, NY

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

Young Adult Institute, Inc., New York, NY (\$12.4 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:

- 2346 Vista Court, Yorktown Heights, NY
- 5 Halsey Place, Valhalla, NY
- 14 Lady Godiva Way, New City, NY
- 101 Ridgeway Ave., Setauket, NY
- 102 Poplar St., Central Islip, NY
- 1271 Carlis Straight Path, Dix Hills, NY
- 51 Hearthstone Dr., Dix Hills, NY
- 40 Titus Rd., Glen Cove, NY

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



InterAgency Council Pooled Loan Program

BORROWER	EXPECTED PROPERTY ADDRESS	EXPECTED MORTGAGE OR LEASE
Eden II School for Autistic Children, Inc.	107 Dewey Ave, Staten Island, NY	Mortgage
Family Residences & Essential Enterprises, Inc. -FREE	215 Atlantic Avenue, Hempstead, NY	Mortgage
	805 Karshick Street, Bohemia, NY	Mortgage
	43 Cayuga Ave., Setauket, NY	Mortgage
	179 Hickory Street, Mt. Sinai, NY	Mortgage
	10 Royal Waym Shoreham, NY	Mortgage
	8 Clark Street, Selden, NY	Mortgage
HASC Diagnostic & Treatment Center, Inc.	1122 Chestnut Ave., Bronx, NY	Lease
HASC Center, Inc.		
Services for the Developmentally Challenged, Inc.	904 Quincy Ave., Bronx, NY	Mortgage
Unique People Services, Inc.	160-18 121st Ave., Jamaica, NY	Mortgage
	115-29 Marsden St, Jamaica, NY	Mortgage
Young Adult Institute, Inc.	2346 Vista Court, Yorktown Heights, NY	Mortgage
	5 Halsey Place, Valhalla, NY	Mortgage
	14 Lady Godiva Way, New City, NY	Mortgage
	101 Ridgeway Ave., Setauket, NY	Mortgage
	102 Poplar St., Central Islip, NY	Mortgage
	1271 Carlis Straight Path, Dix Hills, NY	Mortgage
	51 Hearthstone Dr., Dix Hills, NY	Mortgage
40 Titus Rd., Glen Cove, NY	Mortgage	



**InterAgency Council
Sources and Uses of Funds**

<i>Sources of Funds:</i>	<i>Tax-Exempt</i>	<i>Taxable</i>	<i>Total</i>	
Bond Proceeds	\$ 25,475,000	\$ 1,000,000	\$ 26,475,000	
Original Issue Premium	697,234		697,234	
<i>Total Sources</i>	\$ 26,172,234	\$ 1,000,000	\$ 27,172,234	

<i>Uses of Funds:</i>			<i>% of Par</i>
Deposit to Project Fund		\$ 24,425,244	
Deposit to Debt Service Reserve Fund		934,593	
Capitalized Interest		-	
Costs of Issuance		1,012,830	3.83%
Dormitory Authority Fee	240,000		0.91%
Bond Counsel	265,000		1.00%
Printing	10,000		0.04%
Ratings	25,500		0.10%
Trustee	10,000		0.04%
Institution's Counsel	152,000		0.57%
InterAgency Council Admin Fee	66,188		0.25%
Title & Survey	139,098		0.53%
DAC Fee	70,000		0.26%
Miscellaneous	25,000		0.09%
Rounding	10,044		0.04%
Underwriter Discount		799,568	3.02%
<i>Total Uses</i>		\$ 27,172,234	

INTERAGENCY COUNCIL POOLED LOAN PROGRAM

The Letter from Bond Counsel will be transmitted to the Members under separate cover.