Senior housing at Beth Rifka?

By ANNE FANCIULLO

A group of 20 investors, many of them physicians, is interested in purchasing the shuttered Beth Rifka Nursing Home in Concord for conversion to a 96-unit apartment building for senior citizens.

The doctors are affiliated with both Doctors Hospital and the Staten Island Medical Center at 11 Ralph Pl., two doctor-owned buildings that flank Beth Rifka. They are expected to be competing with other buyers — and possibly the state — now that interest in the nursing home has been heightened by a bankruptcy court decision one month ago.

That decision authorized the lending institution holding the mortgage on the nursing home to go ahead with a foreclosure proceeding after a five-year delay. The foreclosure, however, cannot take place before June 16, the judge ruled.

Robert Fitzsimmons, a principal in Gateway Realty, an apartment management firm, said he is packaging the proposal for the physicians and is himself an investor. A feasibility study to address the costs of converting the home to apartments for low-income elderly is currently underway by St. George architect Albert Melniker, he said.

"The doctors have a vested interest in what becomes of Beth Rifka," Fitzsimmons noted. "They want to see the right thing done, because whatever goes in there will affect their buildings."

Meanwhile, the state Office of Mental Retardation and Developmental Disabilities commissioned its own feasibility study of Beth Rifka's potential as a home for residents of the Staten Island Developmental Center, Willowbrook. The agency proposed to lease the building in an effort to comply with a court order mandating that retarded residents be placed in smaller facilities. A spokesman for the agency said the study has not been completed.

Fitzsimmons believes such a plan would not be well received by area residents and has, instead, initiated a counter proposal which he said should prove more palatable to the community. "There is a shortage of apartments for the elderly now," he noted, adding that the facility is already equipped for conversion to individual apartments. He estimates that about half the 96 units that could be created would be efficiencies and the rest would be one-bedroom units. He offered no cost estimate for the project since it is dependent on the results of Melniker's analysis and the cost to purchase the building itself.

Fitzsimmons acknowledged that such a conversion to residential use would require zoning waivers for both on-site parking and the floor area content of the building because it exceeds by 50 percent the maximum floor area permitted in relation to the size of the property. The variances would be required even if the buyers purchase a vacant half-acre lot on Targee Street that could be tapped for additional parking, he said.

He explained that the former nursing home is an attractive proposition not for the potential profits, but for the income tax write-offs available to building owners who let apartments under the umbrella of a non-profit sponsor.

One idea, he said, is to have the investment group lease the converted building to a non-profit entity that would, in turn, rent the apartments to senior citizens under the Section 8 rent subsidy program. Unlike most other senior citizens apartment projects, which rely heavily on low-interest government loans, the renovation of the nursing home would be privately financed, he said.

Ruben Wolf, Staten Island and Queens development director for the city Housing Preservation and Development Department, said federal rent subsidies for such a project could be made available through the Housing Authority.

The bankruptcy court found that Washington Federal Savings and Loan Association is entitled to recover about $3 million in defaulted mortgage and interest payments from the nursing home's owner, National Hospital and Institutional Builders Co. of Manhattan. National Hospital is controlled by convicted nursing home czar Bernard Bergman and his family.

Should the bank go ahead with the foreclosure sale, a buyer would have to pay off the debt to the bank and figure in the additional costs to renovate the building — two factors which could make the sale prohibitive unless Washington is willing to accept much less than the $3 million it is owed.

John G. Hall, the Stapleton attorney representing the bank's Staten Island interests, said the replacement value of the building might be about $6 million, but its market value is diminished because of its location and the zoning difficulties. He noted that the bank has taken no action on the Fitzsimmons proposal and others that have surfaced, nor will it until the June 16 deadline passes.

Hall noted that the foreclosure could be stopped at any time prior to that date if the building owners obtain a motion to stay the sale or if the court-appointed trustee charged with overseeing Bergman's assets in the bankruptcy case finds a buyer for the property on his own. Such as sale would be subject to court approval.

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