

\$6.65M earmarked for group homes

\$5 to be acquired through bond sale

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As much as \$6.65 million in tax exempt bonds have been earmarked for the purchase and operation of group homes for mentally retarded adults on Staten Island.

It is believed to be the largest single block of funding for the acquisition of group homes in the borough under liberalized financing laws enacted in 1989.

Funds for the purchase of five free-standing residences and a

group of six apartments in the same building, are to be generated by a bond sale later this year by the State Medical Care Facilities Finance Agency (MCFFA), a public benefit corporation that has traditionally financed hospital and nursing home construction.

Three years ago, a state law was enacted allowing non-profit operators of group residences to obtain financing through MCFFA to meet the growing demand for

more community-based facilities. As other possible sources of funding dry up in the wake of budget cuts, MCFFA bonds seem to be the financing of necessity for struggling non-profits.

A public hearing on the issuance of \$115 million worth of the tax exempt bonds to finance the Island group residences and 107 others throughout the state has been set for Nov. 6 at 7 p.m. in the MCFFA offices at 3 Park Ave., Manhattan.

Of the six Island sites, three are currently occupied and operational by the agencies listed as the would-be purchasers; one is under

construction; and two are in the planning and development stage.

"These bonds are a savings to the taxpayer," commented Ron R. Byrne, a spokesman for the state Office of Mental Retardation and Development Disabilities (OMRDD), the state agency which oversees how the non-profits spend the funds.

Instead of using scarce tax levy money for capital construction and acquisition, the state issues bonds which are purchased by investors because of their exemption from federal, state and city taxes.

Further, Byrne said that while

taxpayers and group home opponents frequently cite the high cost of providing care in small, community-based residences, costs would actually be much higher without the availability of state bond financing.

In the case of group home at Galloway Ave., Westerleigh which opened in April, the Association for the Help of Retarded Children (AHRC) said its bond proceeds will be used to retire a bridge loan from a commercial bank that was used to buy and renovate the property. The no-

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