

New York City Industrial Development Agency

Not-for Profit [501 (c)(3)]

Project Financing Application

By what date do you wish to close the proposed Project financing? **05/31/2005**

I. APPLICANT INFORMATION

Applicant's Name : **INDEPENDENT LIVING ASSOCIATION, INC.**

Address: **110 YORK STREET, BROOKLYN, NEW YORK 11201**

Phone # : **718 852-2000** Fax # : **718 852-2027**

IRS Employer ID Number: [REDACTED] S.I.C. Code: **623000**

NY State Dept. Of Labor Number (if applicable): [REDACTED]

Officer of Applicant completing this application (contact person):

Name: **Frank DeLucia** Title: **Chief Financial Officer** Phone # : [REDACTED] Ext. [REDACTED]

Applicant type of Organization (i.e., Social Services, Private School): **Health Care**

Brief description of service: **Agency provides long-term residential care for mentally retarded adults.**

Applicant's State of Incorporation or Registration: **New York**

Applicant's Attorney: Name: **Seth P. Stein, Esq.** Phone # [REDACTED] Fax # : **516 542-0094**

Firm and Address: **Stein & Schonfeld, LLP 100 Quentin Roosevelt Blvd., Garden City, NY**

Applicant's Accountant: Name: **Ed Kuczmariski** Phone # : [REDACTED] Fax # : **(212) 572-5572**

Firm and Address: **Hays & Company, 477 Madison Avenue, New York, New York 10022-5892**

II. PROJECT INFORMATION

1. Describe in detail the nature of the proposed project. Describe the proposed project site and any improvements currently on it. Describe proposed construction / renovation, if any.

Individualized Residential Alternative for mentally retarded adults. Site was formerly a two-story, single-family residence which was modified as to conform to Mental Hygiene law life-safety codes.

2. Why does the Applicant plan to undertake the project? What are the objectives to be achieved through the project?

Applicant provides residential services to eight (8) mentally retarded adults at the site, creating a home-like environment for individuals unable to provide for their own support.

3. Indicate the estimated dates for construction / renovation start and completion and financing drawdowns.

Renovations began 12/01/2002; ended 05/23/2003; draw downs began and ended 04/10/2002.

4. Please give best estimates for all costs involved in the proposed project:

Land and Building (acquisition)	\$
New Construction	\$
Renovations / Building Improvements	\$
Machinery / Equipment	\$
Fees / Other Soft Costs	\$
Other (explain)	\$
Total Project Costs	\$



Please see attached spreadsheet

4. Please identify proposed sources and amounts of funds to finance the above project costs:

Bonds	\$
Loan from other Sources	\$
Fund Balance	\$
Capital Campaigns	\$
Other Sources	\$
Total Project Sources	\$



please identify sources _____

please identify sources _____

5. Provide the following information relating to the proposed project site.

<u>Street Address & Borough</u>	<u>Block Lot & Section Number</u>	<u>Square Footage of Land</u>	<u>Square Footage of Building</u>	<u>Number of Floors Including Basement</u>	<u>Zoning</u>
89 Lucille Avenue B	7048 L 79	3,971	3,650	3	R3-2

PLEASE SEE ATTACHED SPREADSHEET

a.				
b.				
c.				
d.				

6. Give the following information with respect to all present tenant(s) and sub-tenants at the proposed project site.

<u>Name, Contact Person & Tel.</u>	<u>Square Feet & Floors Occupied</u>	<u>Lease Expiration / Renewal</u>
N/A		

7. Will any entity / person other than Applicant use the project facility? **NO.** Does Applicant intend to lease a portion of the project facility, and, if so, will there be tenants other than those listed under question #6? **NO.** Provide all details. **N/A.**
8. Provide street address, borough or town, for premises which you currently own or lease, even if you don't occupy same. Do you plan to terminate / sell / vacate / remain at such premises? **NO.** Provide all details. With respect to currently leased premises, provide the name and address of landlord and the expiration date of the lease term. **N/A.**
9. If any of the present or proposed tenants in this project are related to, or affiliated with the Applicant, please indicate and list percentage of occupancy. **N/A.**
10. If any of the present or proposed tenants in this project are related to, or affiliated with the seller of the property, please indicate and list percentage of occupancy. **N/A.**

11. Is there a relationship, legally, by virtue of common control or through related persons, directly or indirectly, between the Applicant and the present owner of the project site? **NO**. If so, please provide details. **N/A**.
12. Has the Applicant, any existing or proposed tenant of the proposed project facility, or any person related to any of the foregoing, received or benefitted from within the past six months, or is contemplating to receive or benefit from within the next six months, tax-exempt financing anywhere within the United States? **NO**. If yes, please provide details. **N/A**.

III MANAGEMENT INFORMATION

1. Please provide the resumes of the principal officers of the applicant. Make sure that this includes age, education, employment history, current title and responsibilities.

Name: Mr. Arthur Palevsky

Age: 53

Title: Executive Director of Independent Living Association, Inc. and of ILA Case Management Services, Inc.

Mr. Arthur Palevsky graduated from Columbia University with Masters Degrees in Psychology and Rehabilitation Counseling and began his career in services for the developmentally disabled in 1975. Mr. Palevsky first worked as a Rehabilitation Counselor for the Federation Employment and Guidance Service, a multi-service not-for-profit agency that serving physically, developmentally and psychiatrically disabled individuals. Three years later, Mr. Palevsky went to work for the Association for Children with Retarded Mental Development (ACRMD now known as Lifespire), another not-for-profit agency, serving the developmentally disabled. At Lifespire, Mr. Palevsky transitioned into the realm of administration, first as a Program Director and later as an Assistant Executive Director. During his tenure at ACRMD, Mr. Palevsky was responsible for the residential program operations, which included budget management, staff supervision and program compliance. He was also responsible for the development of new programs. In 1991, Mr. Palevsky joined Independent Living Association, Inc. (ILA). At ILA, Mr. Palevsky began as an Associate Executive Director, and was assigned responsibility for Agency operations within all aspects of the company, including all of the above-mentioned responsibilities in addition to liaison with New York State government and negotiating authority with Local 1199, which is the union that represents many of ILA's direct care and support workers. During the spring of 2003, Mr. Palevsky became the Executive Director of ILA, and was assigned all other responsibilities of Agency operations, including maintaining ILA's history of quality care for the consumers, superior degree of regulatory compliance, and prudent fiscal management. Mr. Palevsky has also served as Chairperson of the Staten Island Developmental Disabilities Council, on which he continues to serve as an Executive Board member. He also serves as a Board Member of the InterAgency Council and is an active participant of the New York State Association of Community Residential Administrators. Both of these entities are large trade organizations.

Name: Mr. Frank De Lucia

Age: 49

Title: Deputy Executive Director and Chief Financial Officer of Independent Living Association, Inc. and of ILA Case Management Services, Inc.

Mr. De Lucia graduated with a B.S. degree in Accounting from St. John's University in 1977 in the top 5% of his class. Mr. De Lucia is a Certified Public Accountant with more than twenty years of varied financial and auditing experience, including ten years in public accounting. He began his Accounting career as an auditor for New York City auditor, gaining recognition there for designing statistical method for assigning contracts to outside vendors. After three years, Mr. De Lucia became an internal auditor for Greater New York Savings

Bank, helping to design that newly formed department's audit program. Mr. De Lucia then worked for several public accounting firms as an auditor and tax specialist. His public accounting career has focused on the real estate, brokerage and not-for-profit industries. He is a specialist in financial projections, business plans and budgeting, as well as internal control policies and procedures. Mr. De Lucia joined the executive staff of Independent Living Association, Inc. in January 1992 as Chief Financial Officer. Mr. De Lucia's original responsibilities with the Agency included oversight of its Accounting Department, as well as Treasury and Finance functions. Since his promotion to Deputy Executive Director in the spring of 2003, however, his responsibilities include assisting the Executive Director in the oversight of overall Program services.

2. Please provide a list of the Board of Directors and their affiliations.
SEE ATTACHED

3. Give a detailed history of the Applicant and detailed description of the Applicant's organization.
SEE ATTACHED

IV DUE DILIGENCE

This section asks for more specific information about Applicant's services. Please complete the following questions using attached Due Diligence Sheets, when necessary.

1. How many employees does Applicant employ in New York City at the present time?

Full-Time 400
(minimum 35 hours per week)

Part-Time 250
(minimum 20 hours per week)

2. How many employees does Applicant employ outside of New York City but in New York State?

Full-Time 0
(minimum 35 hours per week)

Part-Time 0
(minimum 20 hours per week)

3. Does Applicant intend to employ new additional employees at the proposed project site, or will Applicant transfer current employees from premises presently being used? Please provide details.

The Agency employs approximately 17 new additional employees at the proposed project site. These staff include Maintenance, Direct Care and Clinical personnel.

4. List union affiliation, contact person, phone and fax numbers and contract expiration date on attached Due Diligence Sheet.

5. List bank affiliation, contact person, phone and fax numbers and account number on attached Due Diligence Sheet.

6. List any funding sources, their addresses, contact persons and phone and fax numbers on attached Due Diligence Sheet.
7. List the principal officers of the Applicant, their home addresses, titles, dates of birth and social security numbers on the Attached Due Diligence Sheet. [This is in addition to the resumes in Question III. (1.)]
8. Has Applicant, or any officer or director, or any entity with which any of the foregoing individuals has been associated, ever been adjudicated bankrupt or placed in receivership, or otherwise been the subject of a bankruptcy or similar proceedings (prior or current)?
 YES NO If yes, provide all details on attached sheet.
9. Have any of Applicant's officers or directors ever been convicted of any criminal proceedings?
 YES NO If yes, provide all details on attached sheet.
10. Is Applicant, or any officer or director of Applicant, a plaintiff or defendant in any civil or criminal proceedings?
 YES NO If yes, provide all details on attached sheet.
- Applicant is defendant in various civil lawsuits involving automobile accidents, all of which are fully covered under its Property & Casualty insurance policy.**
11. Is what litigation is Applicant, or any of the individuals and entities listed in response to Questions 10, and 11 currently involved, either as plaintiffs or as named defendants?
Provide all details on attached sheet.
- Applicant is defendant in various civil lawsuits involving automobile accidents, all of which are fully covered under its Property & Casualty insurance policy.**
12. Does Applicant have any contingent liabilities? (*e.g., pending claims; federal, state or city tax liabilities; judgements, liens, etc.*)
 YES NO If yes, provide all details on attached sheet.
13. Has Applicant filed all required tax returns with appropriate governmental entities?
 YES NO If yes, provide all details on attached sheet.

DUE DILIGENCE SHEET

1. Principals

Name **Michael Kass**
Address **3745 Lyme Avenue
Brooklyn, NY 11224**
Social Security # **[REDACTED]**
Date of Birth **10/20/1943**
Title **Chairman of the Board**

Name **Arthur Palevsky**
Address **17 Dunhill Road
Manhasset Hills, NY 11040**
Social Security # **[REDACTED]**
Date of Birth **10/19/1951**
Title **Executive Director**

Name **Frank De Lucia**
Address **135 Mill Spring Road
Manhasset, NY 11030**
Social Security # **[REDACTED]**
Date of Birth **11/8/1955**
Title **Deputy Executive Director
& Chief Financial Officer**

Name _____
Address _____
Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____
Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____
Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____
Social Security # _____
Date of Birth _____
Title _____

Name _____
Address _____
Social Security # _____
Date of Birth _____
Title _____

DUE DILIGENCE SHEET...

3. **Funding Sources**

Name **NYS OMRDD**
Address **44 Holland Avenue**
Albany, NY 12229-0001

Phone # (518) 402-4330
Fax # (518) 473-1874
Contact Person **Joanne Howard,**
Director of Rate Setting

Name _____
Address _____

Phone # _____
Fax # _____
Contact Person _____

Name **Social Security Administration**
Address **195 Montague Street**
Brooklyn, NY 11201

Phone # (718) 330-2075
Fax # (718) 330-1783
Contact Person **Howard Noble**

Name _____
Address _____

Phone # _____
Fax # _____
Contact Person _____

3. **Unions**

Union Name **Local 1199 Drug, Hospital and**
Health Care Employees Union RWDSU
Contact Person **Carolyn Brooks, Vice President**
Phone # **(212) 261-2247**
Fax # **(212) 767-1744**

Union Name _____
Contact Person _____
Phone # _____
Fax # _____

4. **Banks**

Bank Name **Citibank, N.A.**
Contact Person **Casandra Lillianthal, Asst. VP**
Phone # **(718) 254-8208**
Fax # **(718) 243-2192**
Type of Account **Operating / Payroll / MM**

Bank Name _____
Contact Person _____
Phone # _____
Fax # _____
Type of Account _____

V. CONFIDENTIALITY

All information contained in this Application will be treated confidentially to the extent permitted by law (see "Certification" section V of this Application). Since under the "New York State Freedom of Information Law" information must be disclosed unless such information contains trade secrets (which, if disclosed, would cause irreparable harm), Applicant must, in the space provided below, indicate which information provided in this Application it believes falls into such category and an explanation as to why.

VI. CERTIFICATION

I, the undersigned, request on behalf of Independent Living Association, Inc. ("Applicant") that this Application be submitted for review by the Board of Directors of the New York City Industrial Development Agency (IDA). I hereby certify that the information contained herein and in the attachment hereto, are, to the best of my knowledge and belief, accurate, true and correct. I understand that any intentional misstatements or misleading information contained herein, or the omission of relevant information, could be cause for rescission of IDA approval and IDA benefits. I acknowledge receipt from the IDA of a memorandum explaining legal, insurance and various real estate related requirements, all of which be necessary for the contemplated project financing.

On behalf of Applicant, I hereby acknowledge and agree that Applicant shall be, and is responsible for, and shall promptly pay all costs incurred by IDA, in connection with document negotiations, closing and, where applicable bond issuance and sale, whether or not closing occurs and whether or not bond issuance and sale occur in applicable instances. The aforesaid costs, and Applicant's obligation hereunder to pay for same, shall include, but not be limited to, attorney's fees. Applicant's obligations hereunder are absolute and shall in no event be contingent upon closing.

On behalf of myself, all other principals of Applicant, and Applicant, I hereby authorize New York City Industrial Development Agency and the New York City Department of Investigation (DOI) to initiate their background clearance procedure with respect to myself, all other principals of Applicant, and Applicant. I, all other principals of Applicant, and Applicant agree to give DOI permission to secure all necessary personal data from all relevant sources, public and private, and I, all other principals of Applicant, and Applicant further agree to cooperate in all phases of the DOI background and clearance procedure. I, all other principals of Applicant, and the Applicant agree to hold IDA and the City of New York harmless with respect to any claims for injury, damage, loss or expense which may arise should the above mentioned background clearance not be completed satisfactorily.

On behalf of Applicant and its existing and future affiliates, I authorize any private or governmental entity, including but not limited to The New York State Department of Labor ("DOL"), to release to IDA and/or to the New York City Economic Development Corporation ("EDC") and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under its control and pertinent to Applicant and its existing and future affiliates and the employees of same. In addition, upon IDA's request, Applicant shall provide to IDA any employment information in Applicant's possession or in the possession of any of Applicant's

CERTIFICATION...

existing and future affiliates, which is pertinent to Applicant and Applicant's existing and future affiliates and the employees of same. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by Applicant itself (collectively, "Employment Information"), may be disclosed by the Information Recipients in connection with the administration of the programs of the IDA, and/or EDC, and/or the successors and assigns of either, and/or The City of New York, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1993, (y) other reports required of IDA, and (z) any other reports required by law. If IDA approves this Application and the IDA Board of Directors approves the financing project which is the subject of this Application, this authorization shall remain in effect through the term of the financing lease which the Applicant and IDA will enter into a closing. If IDA does not approve this Application, and/or the IDA Board of Directors does not approve the financing project which is the subject of this Application, this authorization shall remain in effect through the earlier to occur of the aforesaid decisions not to approve.

I, all other principals of Applicant, and Applicant understand that IDA may be requested to disclose the information contained in this Application and the attachments hereto, under applicable disclosure laws, or at the request of investigative law enforcement or other governmental bodies. On behalf of myself, all other principals of the Applicant, and Applicant, I authorize IDA to disclose any such information, under such law or where so requested, and I, all other principals of Applicant and the Applicant release IDA from any liability to the Applicant, all other principals, and/or myself for such disclosure. I also authorize IDA at its discretion to transmit this Application or any financial data submitted herewith to prospective lenders, such as banks or insurance companies, and to IDA's financial advisors.

On behalf of Applicant, I acknowledge and agree that IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter, shall be provided at Applicant's sole cost and expenses, and shall be in form and substance satisfactory to IDA.

CERTIFICATION...

Approval of this Application may only be granted by the IDA's Board of Directors through the Boards, adoption of an inducement or authorizing resolution for the project described in this Application. Additionally, it is understood and agreed that the \$2,500 Application fee accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Applicant acknowledges and accepts that: the \$2,500 Application fee will accrue toward payment of the IDA Closing Fee should closing occur; and if and when the IDA's Board of Directors approves this Application, the Agency may additionally require Applicant to pay at such time an amount equal to 10 basis points of the bond/project amount (as applicable), which payment shall also accrue toward payment of the IDA Closing Fee should closing occur.

Date: 3/10/2005

Certification By: [Signature]
Signature of Chief Executive Officer

Arthur Palevsky
Printed Name

Attested By: [Signature]
Chief Financial Officer / Secretary

Frank De Lucia
Printed Name