

George Latimer  
Senator  
New York State Senate, 37<sup>th</sup> District  
615 Legislative Office Building  
Albany, New York 12247

David Buchwald  
Assemblyman  
New York State Assembly, District 93  
LOB 331  
Albany, New York 12248

January 31, 2017

Ann Marie T. Sullivan, M.D.  
Commissioner  
New York State Office of Mental Health  
44 Holland Avenue  
Albany, NY 12229

Re: *Paradigm Treatment Centers LLC's Misuse of New York State "Padavan Law" To Open A Short-Term Stay Treatment Facility in an Exclusively Residential Section in the Town of North Castle.*

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Commissioner Sullivan,

As you know, in 1978 our State's legislature enacted what has come to be known as the "Padavan Law" (codified at Section 41.34 of the Mental Hygiene Law). That statute, which was part of a broader concerted legislative effort dating back at least to the 1950's, seeks to realize the State's goal of the deinstitutionalization of the "developmentally retarded" by providing a process for the establishment of community "group homes" for such individuals. In 1984, the Court of Appeals summarized the legislative intent of the Padavan Law as follows:

Thus, the consistent, unequivocal legislative and executive pronouncements over the past 30 years leave no doubt that it is an important State policy to *deinstitutionalize mentally and developmentally retarded individuals*, and to house and teach them in "community residences". . . .

*Crane Neck Ass'n v. New York City / Long Island County Servs. Group*, 61 N.Y. 154, 163-64 (1984) (emphasis added). We urge you to review that opinion in its entirety for a detailed history of the Padavan Law. A copy is enclosed.

The goal of deinstitutionalization is reflected in the text of the Padavan Law itself. For example, in reviewing any proposal for the establishment of a "Padavan" group home, the Commissioner is required to consider (among other things): "any other facilities in the municipality or in the area in proximity to the site selected providing residential services to a significant number of *persons who have formerly received in-patient mental health services in*

*facilities of the office of mental health or the office for people with developmental disabilities.”*  
(MHL § 41.34(c)(5) (emphasis added.)

It has been brought to our attention that a California-based company named Paradigm Treatment Centers LLC (“Paradigm”)<sup>1</sup> has attempted to use the Padavan Law to establish a for-profit, *short-term-stay* treatment center, for up to eight adolescents allegedly suffering from anxiety, depression and “co-occurring” substance abuse disorders, in a single-family home located at 14-16 Cole Drive within an exclusively residential section of the Town of North Castle (the “Proposed Facility”). We understand that, by unanimous objection and resolution, the local Town Board correctly objected on the ground that Paradigm’s was not a proper proposal under the Padavan Law. We further understand that the Town objected on overconcentration grounds relying on, among other things, a map created by the Town Board depicting five facilities within less than two miles of the Proposed Facility. Copies of the Town Board’s resolutions (with attachments) are enclosed. It is anticipated that Paradigm will seek review by your Office pursuant to MHL Section 41.34(c)(5).

We jointly view this matter as one of great importance for our State, ultimately transcending the particularities of the Paradigm proposal. We feel compelled to submit this letter in our capacities as members of the New York State Senate and the New York State Assembly, respectively, urging you to affirm the North Castle Town Board’s determination prohibiting Paradigm’s misuse of the Padavan Law. As a matter of policy, it is critical for the Commissioner and the Office of Mental Health to send a strong and decisive message condemning abuses of the Padavan Statute by for-profit operators such as Paradigm, and many others who will undoubtedly follow in its footsteps, looking to cash in on the growing demand for high-end, transient “treatment” facilities in residential neighborhoods of the type that have proliferated in Malibu California, where Paradigm built its business model and made its fortune.

Paradigm’s Proposed Facility does not foster, and is in fact inconsistent with, the legislative goals of the Padavan Statute. Paradigm does not seek to establish a group home for “developmentally retarded persons”. Rather, it seeks to establish a facility for adolescents suffering from anxiety, depression and “co-occurring” substance abuse disorders.<sup>2</sup> Furthermore, the Proposed Facility will not provide a *permanent* community residence for any of Paradigm’s customers. To the contrary, the clients will *temporarily* stay at the property for 30 to 45 days at most (if they are willing to pay approximately \$50,000 per month for that privilege). Over the course of a given year, there could be as many as 96 separate transient “residents” rotating through the Proposed Facility.

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<sup>1</sup> Paradigm is a California corporation that does not appear to be authorized to do business in New York.

<sup>2</sup> We understand there has been some debate as to whether Paradigm, in fact, intends to operate a drug and substance abuse treatment facility (under the guise of merely treating anxiety and depression). Although that will likely be the subject of further commentary by Paradigm, the Town of North Castle and affected residents, in our view it is ultimately beside the point. Even if none of Paradigm’s customers will have drug or substance abuse issues, Paradigm does not and cannot dispute that none will suffer from *mental retardation*. It cannot dispute that none is currently experiencing, or at risk of, *institutionalization*. And it cannot dispute that none will *permanently* reside at the Proposed Facility.

None of the transient customers is expected to come from a mental institution. Nor will any be at risk of institutionalization if the Proposed Facility is not approved. To the contrary, each adolescent will already enjoy normal residency in his or her own local community.<sup>3</sup> Each will be returned to the local community after the 30 to 45 day "treatment" stint ends. Each will remain enrolled in his or her local school district and/or private school. In short, this is not a "group home;" it is a 30-45 day treatment hotel.

The establishment of such a transient facility does not promote the deinstitutionalization of "persons with developmental retardation", for whose benefit the Padavan Law was originally passed. To the contrary, were the Commissioner to sanction this kind of abuse of the Padavan Statute, *it would perversely impede the State's goal of deinstitutionalizing developmentally retarded persons*. Were the Commissioner to throw open the floodgates and condone the proliferation of *transient* "group homes" throughout our State under the guise of the Padavan Law, it will make it increasingly difficult for sponsoring agencies to establish true Padavan group homes providing permanent residency for "the developmentally retarded". They would face increasingly viable "overconcentration" objections and, ultimately, could be squeezed entirely out of existence. That would be truly tragic and is anathema to the legislative intent.

For all of these reasons, it is critical that the Commissioner tamp down and put a decisive end to this improper exploitation of the Padavan Law. The Commissioner must send a strong message that the Office of Mental Health will not be complicit in the perversion of statutes enacted for the benefit of "developmentally retarded persons" and that it remains faithfully committed to the State's true and legitimate goal of deinstitutionalization.

We thank the Commissioner for considering our views with respect to these matters.

Respectfully,

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Senator George Latimer

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Assemblyman David Buchwald

cc: Paradigm Treatment Centers LLC (c/o Robert Christmas, Esq.)  
The Davis Pond Conservancy, Inc.

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<sup>3</sup> The North Castle Town Board's resolution notes Paradigm's failure to submit any information regarding the local need for a facility of this nature. Thus, it is unclear how many (if any) of the adolescents will come from the Town of North Castle, Westchester County, or even this State.