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SOME, Inc. (So Others Might Eat)
Committee of the Whole
Priorities for Potential Funds for DC from Federal Recovery & Reinvestment Proposals
February 11, 2009**

Good afternoon, Chairman Gray and distinguished members of the Council. We are Nechama Masliansky, Senior Advocacy Advisor for SOME (So Others Might Eat), and Emily Price, Program Director for the SOME Center for Employment Training.

SOME is an interfaith nonprofit that has served low-income and homeless District residents for over 39 years. We help move District residents from homelessness to self-sufficiency through a comprehensive range of emergency, supportive, and job training services, and transitional and permanent affordable housing.

Thank you for the opportunity to present recommendations on guiding principles and concrete steps for the District's use of potential federal stimulus funds.

Follow the intent of the stimulus: close the budget gap, create jobs, and meet critical needs. While the details of the stimulus package are still not finalized, it will most certainly prove to be a boon to the District. A primary intention of the stimulus package is to help states address budget gaps until the economy has a chance to stabilize. Thus, in the face of massive budget shortfalls this fiscal year and beyond, the stimulus funding gives the District the opportunity to continue critical social services and development tools, and also the ability to reverse some of the most damaging cuts made to programs last November.

As members of the newly formed Coalition for Community Investment – which represents over 160 businesses, faith-based groups, nonprofits, environmental, labor and advocacy organizations – we support:

- *A transparent budget process that provides opportunity for public input*, such as this Roundtable.
- *Investments in our communities that stimulate economic recovery*, through preparing residents for jobs, supporting children and families, and giving people the means to support local businesses.
- *Supporting community needs now, so we don't pay later*, by dedicating funds to programs that reduce the need for costly emergency services.
- *Sensible revenue expansions*, which, depending on the final contents of the stimulus package, may not be necessary immediately but will need to be considered as a long-term solution.

Invest in local projects that are ready to go, employ DC residents, and also meet the human needs of local DC residents. Specifically:

Use a portion of the increased federal share of Medicaid spending and Block Grants to restore the cuts made to the Local Rent Supplement Program and to increase its funding; and to

Restoring Hope & Dignity One Person at a Time

SOME is an interfaith, community-based organization established to help the poor and homeless of our nation's capital.
SOME is a 501(c)(3) organization and contributions are tax-deductible. Federal ID #23-7098123.

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stabilize the Housing Production Trust Fund. These programs will allow non-profit developers to create approximately 900 affordable units in the short term, thus significantly reducing the number of low-income households waiting for housing and helping to implement the Mayor's Housing First Initiative for very vulnerable homeless persons. Each project stimulates the economy by requiring land purchase, construction, and architects. Supportive-service housing will require hiring of staff. For example, SOME alone has 7 sites ready for development, all subject to LSDBE. If LRSP and HPTF are adequately funded, construction costs will average more than \$2 million for each site; architects for SOME's sites will receive several hundred thousand dollars; and each site will hire professional and maintenance staff at an annual outlay of \$250,000.

Use a portion of HOME funds to provide low-income families with rental assistance and to rehabilitate low-income housing, thus generating economic activity.

In addition, the District has the need and the opportunity to use federal funds fully to prevent further homelessness in the District at a time District residents are losing their jobs and being evicted. These funds will also stimulate the economy quickly:

- Both the House and Senate versions of the Stimulus package call for an increase of \$1.5 billion in the McKinney-Vento HUD Emergency Shelter Grant (ESG) Program. It is estimated that the District's formula share for ESG would be \$7.6 million in FY09, a more than 8-fold increase. In FY08, the City's Emergency Assistance Fund for homeless prevention and emergency assistance (to defray rent and utility arrearages) helped about 170 households; the increased federal dollars would allow 900 households to receive emergency homelessness-prevention help. Services would include short- or medium-term rental assistance, housing stabilization services, and relocation assistance such as security deposits and moving expenses. These funds would be spent quickly, boosting the local economy and improving cash flow for rental property owners, which are typically small businesses. ESG is administered in the District by DHCD and The Community Partnership to Prevent Homelessness; the Emergency Assistance Fund is managed by the "local FEMA" Board, which awards funding to Local Recipient Organizations.¹
- The House bill also provides a \$1 billion increase nationally in Low Income Home Energy Assistance (LIHEAP); the Senate version has no such provision. An increase in LIHEAP, if available, would not only help DC residents keep their electricity and gas on; it would help prevent evictions when people who need to pay their utilities then have to underpay their rent.
- Both House and Senate bills contain \$3-\$5 billion dollars nationally for rehabilitation of public housing for low-income residents. Not only does the District need to rehabilitate public housing to enable the DC Housing Authority to make decent housing available for low-income residents and to prevent homelessness, but every dollar invested is estimated to produce \$2.12 in economic return. The rehabilitation of housing is clearly an infrastructure improvement and an investment in purchase of materials and payment for labor, and, therefore, an economic stimulus.

Prepare DC to take advantage of coming job opportunities. The SOME Center for Employment Training (CET) is a holistic job training program that trains participants in three areas: Medical Administrative Assistance, Building Maintenance, and Customer Service. These areas were selected because of evidence that they offer entry level employment in high growth, high demand industries for individuals who may lack a high school diploma or GED.

We are here to urge this Council and Mayor Fenty to include workforce development as a critical component of economic recovery measures. As you know, much of the aid to states that is likely to be included in the Federal stimulus package is intended to save or create jobs in industries such as construction and building maintenance. However, without targeted investments in workforce development, too many District residents will lack the hard and soft skills that these jobs will require. As a result, a significant number of the jobs could go to non-District residents. Obviously, if this were to happen, it would stifle the stimulative impact on the District economy.

As was recently announced by the Bureau of Labor Statistics, the District has the highest unemployment rate in the region at 8.8%. This is well above the national rate of 7.2%. A principal reason for this is a mismatch between what the local labor market demands and what many residents are prepared to do. In fact, a report completed by The Brookings Institution in 2007 estimated that 51,000-61,000 low-income working-age District residents could benefit from workforce development services.

We recognize that this Council and Mayor Fenty will face an inherent tension between spending stimulus funds swiftly and ensuring that residents are appropriately prepared to fill newly created jobs. But without such deliberate measures, we will forego a rare opportunity to make a long-term investment in the human capital of our city and the vitality of our local economy.

Please know that SOME CET and other training providers throughout the District stand ready to help.

Thank you for holding this Roundtable and for the opportunity to testify today. We are happy to answer any questions you may have.