



71 "O" Street, NW
Washington, DC 20001
Tel: (202) 797-8806
Fax: (202) 797-1867
Web: www.some.org

Testimony of Nechama Masliansky
SOME, Inc. (So Others Might Eat)
To the Committee on Housing and Urban Affairs
Public Hearing on B17-851, the "Housing Waiting List Elimination Act of 2008"
October 16, 2008

Good morning, Chairperson Barry and members of the Committee. My name is Nechama Masliansky, and I am the Senior Advocacy Advisor at SOME (So Others Might Eat). As you know, SOME is a nonprofit, interfaith organization that for almost 40 years has provided comprehensive services to District residents who are homeless or at risk of homelessness. We provide housing to more than 500 men, women and families, in addition to food, clothing, medical, dental and mental health care, social services, addictions treatment, job training, family services and senior services.

SOME's staff and clients have testified repeatedly in front of this Committee¹ about the need to increase resources so that low-income people can move from the DC Housing Authority's waiting list to their own housing throughout the City. Many of our residents have been languishing on that waitlist for more than 5 years. They are grateful to SOME for the services we provide to them and for providing a safe and supportive environment, but they are ready to become truly independent.

Our clients are not alone. More than 6,000 people were counted as "literally homeless" in the District this past January, and of the 25,000 people on the DCHA waitlist, about 8,000 have identified themselves as homeless. The gap between housing need and housing capacity is widening and frightening: We and our colleagues in COHHO,² the Fair Budget Coalition, the DC Fiscal Policy Institute and the Coalition for Nonprofit Housing and Economic Development have testified frequently about the loss of tens of thousands of affordable-housing units in the past seven years. Our current financial crisis and the increasing costs of food and fuel have brought home to everyone how fragile a hold on jobs and housing are possessed by many more DC residents.

To resolve this problem, which involves one of the first necessities of life, as a community we must use all the tools at our disposal to give people access to existing housing and simultaneously develop additional housing that is affordable to people who are extremely low-income.

As a developer of supportive, affordable housing, SOME is a partner with the Housing Authority, as well as the Department of Housing and Community Development and the Housing Finance Agency, and would like to share our experience and recommendations.

There are two primary tools at the City's disposal for moving people off the Housing Authority waitlist and into housing: the Local Rent Supplement Program (LRSP); and the Housing Production Trust Fund (HPTF). The LRSP does two things: First, it funds tenant-based housing

¹ For example, on April 23, 2008, and July 14, 2008.

² Coalition of Housing and Homeless Organizations, a membership association of homeless services providers and homeless persons

vouchers so that people on the waitlist can move directly into market-rate housing in the District. Second, the LRSP, in conjunction with the HPTF, also enables developers, particularly nonprofit developers and service providers, to take dilapidated buildings, renovate them and open them as truly supportive service housing affordable to families, seniors and other individuals who are extremely low-income or have “special needs.” (The vouchers for the second part of LRSP are called Project-based and Sponsor-based Vouchers.)

Thanks to your strong leadership, Councilmember Barry, Fiscal Year 2007 and 2008 funding of the LRSP will make housing available to about 1,800 households. But Fiscal Year 2009 funding will allow only about 140 more families to be housed. It is clear that Fiscal Year 2010 funding will have to be increased significantly in order to accomplish the goals of this legislation to reduce the DCHA waitlist significantly and on a reasonable timetable. The funding increase will also benefit the Mayor’s Permanent Supportive Housing Plan for chronically homeless persons by making additional LRSP housing vouchers available to that program and by creating apartments and SRO units in which to offer that housing. An increase is also necessary in order to keep existing tenants in their housing when their rents increase.

Despite the serious budget pressures on the District, flat-funding of LRSP for FY2010 must be avoided. Flat-funding of the program makes it virtually impossible to develop housing for extremely low-income people. Lenders are already reluctant to work with affordable-housing developers because there is no reliably increasing stream of revenue for operating expenses through the Sponsor-Based and Project-Based LRSP Vouchers. Without an increase, the package of resources required to make possible acquisition, renovation and operation of each project will be inadequate. The deals will start to fall through, thus deepening the crisis that LRSP was designed to alleviate.

Expanded LRSP funding also will relieve some pressure on the Housing Production Trust Fund, which needs to be stabilized-- as you have recognized, Chairperson Barry, by sponsoring B17-0943. We look forward to the hearing on that bill on October 20. LRSP makes possible (through a combination of tenant payments and public rent subsidy) a steady, predictable stream of project income that can leverage significant *private* debt and provide far greater potential for repayment of the HPTF dollars during the life of the project. As an example, SOME’s four-project LRSP-assisted financing arrangement has reduced the HPTF portion of these projects to approximately 36% of total development costs, compared to a pre-LRSP project that required a HPTF first mortgage of approximately 65%. Given the increasing demands on the HPTF at a time when its funding capacity is diminishing, it will be virtually impossible for the HPTF to support the development of a significant number of new units for extremely low-income persons without combining it with a robust and viable LRSP.

Once again, we recommend a five-year strategic plan which sets forth annual goals and annual resources so that organizations can acquire properties with some assurance they will be able to develop the housing.

Thank you for your ongoing support of services for the City’s most vulnerable people, and thank you for the opportunity to testify today.

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.

Designate
UW # 8189



Designate
CFC # 74405

