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**Testimony of Nechama Masliansky
SOME, Inc. (So Others Might Eat)
To the Committee on Public Works and the Environment
Public Roundtable on Increasing Parking Meter Rates
To Restore Essential Services for District Residents
December 11, 2008**

Good morning, Chairperson Graham and members of the Committee. My name is Nechama Masliansky, and I am the Senior Advocacy Advisor at SOME (So Others Might Eat). 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 about 450 men, women and children, in addition to food, clothing, medical, dental and mental health care, social services, addictions treatment, job training, family services and senior services.

Four years ago, the SOME Board adopted an initiative to produce 1,000 additional units of permanent supportive service housing in the District, targeted to provide housing for 2,000 persons who are at or below 30% of area median income (AMI). In cooperation with City agencies and our own financial supporters, we now have in operation or in the development pipeline units to bring us almost halfway toward our goal. However, the recent budget-gap reprogramming of \$2 million in FY09 funding from the Local Rent Supplement Program (LRSP) has jeopardized development of new affordable units and cast a huge shadow over hopes for moving any more of the 26,000 households on the DC Housing Authority waitlist into market-rate housing. Already, SOME has become extremely reluctant to purchase real estate because of the uncertainty about whether LRSP dollars will be available. Other developers are in a similar situation.

Development of housing of any variety, but especially when it seeks to serve persons with special needs, involves at least a three- to four-year process that includes site selection and acquisition, predevelopment, financial underwriting and funding, and either rehabilitation or new construction. For non-profits involved in the development of Special-Needs Housing, it is critical that there be an adequate degree of assurance that public and private resources will be available throughout the various stages of development. Organizations and their projects cannot survive when the expected funding sources are turned on and off like a faucet. We at SOME are concerned that the capacity of the City's non-profit community to produce Special-Needs Housing—a capacity that has increased dramatically over the last few years-- will be eroded significantly, and possibly for many years, unless the City quickly addresses the need for this continuity.¹

Similarly, we are concerned about the reprogramming of other FY09 funding relating to Permanent Supportive Housing for chronically homeless people, which has stopped the movement of homeless people from streets and shelters into apartments.

Developers and advocates were just beginning to articulate ways to work with the City to widen the spectrum of affordable housing, but now even existing plans have come

virtually to a halt. This is a time of economic challenge for the City, but it is not a time for leaving our most vulnerable residents without housing alternatives.

For these reasons, SOME generally endorses an increase in parking meter rates or any other revenue measures that would generate revenue streams to enable existing, essential affordable housing initiatives such as the Local Rent Supplement Program and the Permanent Supportive Housing program—and the Housing Production Trust Fund, which is another key component-- to continue to be implemented.

Chairperson Graham, you initiated the Local Rent Supplement Program which was unanimously endorsed by the Council only two and a half years ago. Thank you, Chairperson Graham and members of the Committee, for taking up the challenge to make dignified and safe housing available to everyone in this City. As we learned in elementary school, food, clothing and shelter are the three basic human needs. Without housing, our children and our economy cannot be expected to thrive.

The private sector—including nonprofit organizations and their donors-- has proved itself ready to take up this challenge. What is needed to make affordable housing happen is for the government sector to create a stable, reliable financial platform that will enable the private sector and its lending institutions to complete the financing packages with which to purchase properties, rehabilitate sites, and operate affordable-housing programs.

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

¹ As an example, in early 2008 SOME purchased two additional properties to provide about 90 units of supportive service housing for families and for single adults, at a cost of \$4.3 million (half of which were City funds—HPTF dollars-- through the SAFI Program). Many of the units were to be wheelchair-accessible. To make the projects financially viable, we anticipated being able to compete for the FY09 LRSP funds. We are now left “holding the bag,” as we are incurring substantial unexpected holding costs without any assurance that the necessary public resources to proceed will be forthcoming. The loss of the \$2 million for LRSP in FY09 greatly reduces the likelihood of our being able to finance the project in any way, including now not being able to support tax exempt bond debt or use conventional debt. Given the current funding uncertainties, non-profits engaged in Special-Needs Housing are being forced to retrench in both development and staff capacity, which will inevitably result in diminished capacity to produce such housing in the District for years to come.

