

Testimony of David I. Roberts
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Committee on Financial Services
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The National Affordable Housing Trust Fund Act of 2007

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Good morning Chairman Frank, Ranking Member Bachus, and members of the committee. I am David Roberts, President and CEO of Lutheran Homes Society of NW Ohio and SE Michigan. On behalf of Lutheran Services in America, LSA–Ohio, and Lutheran Homes Society, we would like to thank you for this opportunity to testify about the National Affordable Housing Trust Fund Act of 2007. We would also like to thank the committee for your interest in affordable housing.

Forty years ago I was fresh out of high school – one of those carefree, fun-loving kids. However, my parents instilled in me a love for my country and, in 1967 I enlisted in the United States Navy. One night, in the middle of the Atlantic Ocean, at 1:00 in the morning, my shipmates took me out on the catwalk of the USS John F. Kennedy and threatened to throw me off the ship if I did not straighten up and take on my responsibility to our crew and our mission. I was given a chance.

After serving four years during the Vietnam War, I began my civilian career sweeping floors around spark plug machines and was a proud member of the UAW Local 20. Then I was given a chance to work in supervision. My job was to give our hard workers the tools to succeed ... to give them a chance.

And, here I am today to offer you testimony on the National Affordable Housing Trust Fund Act of 2007 (H.R. 2895) and how this bill can give people a chance – I have experience in giving and receiving chances. Lutheran Services in America, LSA-Ohio, and Lutheran Homes Society strongly support H.R. 2895. The passage of this bill would make a significant difference in the lives of those in need of affordable housing, particularly those who have low incomes as a result of a disability or loss of a spouse.

I speak for Lutheran Homes Society (LHS), a 147 year old agency that began service in 1860, the year before the civil war began. Since that beginning, LHS has served hundreds of thousands of youth and elderly, in a variety of residential settings – people that needed a chance.

Lutheran Homes Society (LHS) is a not-for-profit social service agency serving people through an array of residential and supportive services. Youth and their families are served through group homes for troubled youth, a parent-partners-in-treatment program, Severe Emotionally Disturbed classrooms, and a residential and day-treatment program for youth with Asperger's Disorder. Elderly persons are served through assisted living, long-term care, and independent living. In the independent living sector, LHS currently has three affordable housing tax credit facilities totaling 214 apartments for elderly persons. LHS has built and operates eight affordable housing HUD Section 202 sites totaling 410 apartments for elderly residents. In 2006, Lutheran Homes Society served a total of 773 individuals in these affordable housing residential communities. In total, Lutheran Homes Society served 2,282 individuals in all our programs during the 2006 calendar year.

LHS's services include residential services and service coordination that allow people living in our facilities to receive services that keep them independent and avoid moving to extended care prematurely. LHS estimates that our affordable housing with supportive services has realized the state of Ohio a savings in excess of \$4 million in Medicaid spending.

LHS started a program called LINCS (Lutheran Interfaith Network of Caring Services), which is a completely free service to the community that serves needy elderly persons outside the walls of our facilities. This service provides an opportunity for our service coordinators to do an assessment and find no-cost or low-cost services for people who remain in their private homes.

LHS has been serving in the affordable housing arena since March 1981 when our first resident moved into our first HUD Section 202 Supportive Housing for the Elderly property. Since that time, three affordable tax credit properties have been added to our portfolio, giving us a total of 624 apartments in 11 locations. LHS is ranked nationally as the 39th largest provider of affordable housing among the 5,300 not-for-profit members of the American Association of Homes and Services for the Aging (AAHSA) in their AAHSA/Ziegler 2006 report. We are the third largest provider of affordable housing in the nation among our fellow Lutheran Services in America (LSA) member agencies.

I am privileged to currently serve as President of LSA-Ohio, which is a coalition of 17 social service agencies in Ohio serving in virtually every setting and every social need. LSA-Ohio members provide services from work release, to nursing homes, to homeless shelters, food pantries, foster homes, home health care, and the list goes on and on. LSA-Ohio is very active in the area we are discussing today – affordable housing. In a recent survey, the four largest LSA-Ohio providers of affordable housing for the elderly (Graceworks in Dayton, Lutheran Social Services in Columbus, Lutheran Metropolitan Ministries in Cleveland, and Lutheran Homes Society in Holland) reported that they provide nearly 1,700 units of affordable housing in 35 locations and have waiting lists totaling over 1,200 persons.

The Ohio agencies are members of our national association, Lutheran Services in America. Lutheran Services in America (LSA) is an alliance of national Lutheran church bodies and their health and human service organizations. LSA has nearly 300 member agencies providing services throughout all 50 states and the Caribbean. Its members deliver more than \$9.5 billion in services to six million people in the United States every year. The network of organizations works neighbor to neighbor with the elderly, children and families, people with

mental and physical disabilities, refugees, victims of natural disasters, and others in great need. Through these efforts, LSA members create opportunities and build self-sufficiency and promise in millions of lives.

LSA has identified creating and preserving affordable housing as one of its highest public policy priorities for this Congress. Lutheran social ministry organizations are leaders in developing affordable housing, particularly for elderly people and people with disabilities. LSA member organizations currently provide over 16,000 affordable housing units for low income people throughout the United States and the Caribbean. LSA, LSA-Ohio, and Lutheran Homes Society appreciate the opportunity to partner with the federal government to meet the housing needs of people in communities across the country.

But, honored members, this proposed legislation is not about LSA, LSA-Ohio, or LHS. It is about youth, elders, and families who need a chance and your opportunity to give it to them through the establishment of the National Affordable Housing Trust Fund.

Here are just a few examples of elderly persons that LHS has helped by providing affordable housing. Although the names have been changed to honor their privacy, we believe they are examples of millions of others out there in our communities who are

- still waiting for affordable housing
- still waiting for a chance.

Rita, age 71, has an annual income of \$3,720. She currently has \$253 in her checking account and \$773 in her savings account. Her rental expense is \$83 per month. She was divorced and received nothing from that divorce and, after caring for her children, was the caregiver for her mother for many years. They were living together and combined their incomes to be able to afford the cost of housing. After her mother died, she did not know where she was going to live

since her mother passed and she lost that income. Rita says, “I don’t know where I would be if I had not moved here, I am able to remain independent. I am so thankful for my beautiful home and caring staff.”

Sister Agnes, age 72, has an annual income of \$4,535. She has no assets to her name as she had taken a vow of poverty. Her rental expense is \$103 per month. She was living in multifamily housing prior to her coming to us, but the cost for rent was getting to be too expensive. Sister Agnes says, “Living here has allowed me to live in a safe and well cared for community with A+ neighbors, which frees me to continue my volunteer services in the wider communities of Toledo.” Notice what Sister Agnes says: Living in affordable housing allows her to do for others.

Helen, age 67, has an annual income of \$1,357 and pays \$34 per month in rent. Helen, who had been divorced, came to live at Windy Acres in New London, Ohio, because she had no contact with her family. Helen was homeless and living in her car at the time of her application.

Marie, who is in her 60’s, also lives at Windy Acres and has an annual income of \$4,408 and pays a monthly rental expense of \$110.

LSA-Ohio serves people who are homeless, too. For example, Lutheran Metropolitan Ministries in Cleveland provides emergency shelter to 500 people every night. In Columbus, Faith Mission, run by Lutheran Social Services of Central Ohio, provides shelter to 200 people nightly, 15 percent are men over the age of 60. The men stay at Faith Mission because there is no alternative housing to offer them. A non-Lutheran agency in Toledo, Cherry Street Mission, serves on average 170 men and women each and every night. The Coalition on Homelessness and Housing in Ohio (COHHIO) estimates that there were over 140,000 persons in Ohio who needed affordable housing at the end of 2006. I would assert given no changes in public policy

since that time that this number is higher today. Interfaith Hospitality Network in the Toledo, Ohio area can only care for four families every night in local church buildings. The families often have pre-school age children and have no place to go and no way to get a start on life!

Section 811 Supportive Housing for Persons with Disabilities is also in critical short supply. LSA agency, Luther Home of Mercy in Williston, Ohio, will soon have eight facilities serving 34 residents. The Board of Mental Retardation and Development Disabilities of Lucas, Wood, and Ottawa counties in Ohio estimate that there are 1,600 individuals needing affordable housing in their three counties alone!

Lutheran Homes Society believes investment in the development of affordable housing should be a partnership between government and the developer. As evidence of this commitment, our newest HUD Section 202 property, in Oregon, Ohio, includes our donation of the land, appraised at \$290,000. The need is great and not-for-profit developers such as LHS are willing to meet the need by building and preserving affordable housing units. However, not-for-profit organizations cannot survive by losing money. The National Affordable Housing Trust Fund would help with “gap financing” by creating a new source of funding for capital development and improvement.

One of our sister agencies in Ohio has decided to no longer participate in affordable housing programs because they cannot find adequate equity. Based on our documented waiting lists, the need will continue to grow at alarming rates without appropriate government action. H.R. 2895 would leave other sources, such as Section 202, Section 811, and Section 8 housing vouchers available to sustain housing costs for extremely low-income households. This trust fund would provide additional federal support for affordable housing, but would not preclude the need to continue to invest resources in other existing federal housing programs.

In rural, suburban, and central city communities, nearly 95 million people (one-third of the nation) have significant housing needs, including high housing costs relative to income, overcrowding, inadequate living conditions, and homelessness. Nearly 65 million people that experience housing needs live in households with low incomes, earning less than 80 percent of the area's median income. The U.S. Census Bureau estimates that there are 3.6 million seniors living in poverty. And, the American Association of Retired Persons (AARP) reports that there are at least ten seniors waiting for every unit of Section 202 affordable housing that becomes available. According to the U.S. Housing and Urban Development department (HUD), "the shortages of affordable housing remained most severe for units affordable and available to renters with extremely low incomes – with only 42 affordable and available units for every 100 extremely low-income renters." The American Association of Homes and Services for the Aging (AAHSA) states that an estimated 7.4 million seniors pay more than they can afford for housing. And, Harvard University's Joint Center for Housing found that for every unit of affordable housing we build, two are lost either by the conversion of affordable housing to market-rate housing or by sponsors of Section 202 opting out of the program when their contracts expire.

I commend those who conceived of and wrote this legislation because it addresses the continuum of housing needs including rental housing and home ownership. It is important that we remember that everybody does not fit in the same mold and different people have different needs. I believe the National Affordable Housing Trust Fund will address that continuum. A very positive aspect about the National Affordable Housing Trust Fund is that it provides opportunity for people with extremely low incomes who are not able to maintain their own home because of age and/or disabilities, as is the case with the population we serve, to have a place to call "home."

I have shared with you stories of some people we are currently serving. To date, we have 522 elderly persons on our waiting lists for affordable housing at our various housing sites.

Additionally, we have people on an “interest” list for a housing project not yet built. Here is a story of someone who is on one of our lists:

Catherine is 81 years old and lives in a rural area. She lost her husband to cancer in 2001. Because she does not drive, she does not leave home often, thereby increasing her loneliness and isolation. She often goes a week or more at a time without seeing anyone.

Although she can take care of her own personal needs and cooking, washing the dishes, and laundry, Catherine is no longer able to keep up with the physical needs of maintenance of her home and yard. The older home she lives in is in need of serious repair but she lacks the funds to do so. If Catherine lived in affordable rental housing, maintenance would be taken care of, and she would have an opportunity to connect with close neighbors that will help her feel less lonely and isolated.

Since the death of her husband, Catherine has depleted her savings and barely survives on her only income of \$449 per month from Social Security after her Medicare deduction. She struggles with the necessities of life, like food and prescription co-pays. Obviously, her low income prevents her from being able to afford market rate housing options.

Catherine is a real person and, unfortunately, there are so many others out there just like her who do not have the means to increase their income. This legislation, if enacted, will help Catherine and those like her by giving them a chance to live in a home they can afford. I also believe they will become more productive like Sister Agnes and help others in need. We find this to be the case in our affordable housing communities. We just need to give them a chance.

Thank you for your legislative efforts on behalf of elderly people, people with disabilities, and others by supporting H.R. 2895, the National Affordable Housing Trust Fund Act of 2007.

And, thank you again for the opportunity to speak to you. I am happy to answer questions.

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