



Testimony of Ronald S. Cohen, Ph.D
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U.S. House of Representatives
Committee on Financial Services
Subcommittee on Housing and Community Opportunity

“H.R. 57772 – The Frank Melville Supportive Housing Investment Act of 2008”

June 20, 2008

Thank you Madame Chairwoman for the opportunity to testify on the Section 811 Supportive Housing for Persons with Disabilities program and why H.R. 5772 is needed. I am Ron Cohen, Chief Executive Officer of United Cerebral Palsy of Los Angeles, Ventura and Santa Barbara counties.

Our organization operates 40 programs in five counties in southern California – providing housing, early intervention for young children, assistive technology, individual and family support services, and social and recreation programs for all people with disabilities, especially those with developmental disabilities.

Since 1995, we have received 10 Section 811 capital advance grants to build apartment buildings and homes for persons with significant developmental disabilities. Our buildings vary in size from 6 to 24 units. They are integrated in neighborhoods throughout Los Angeles, Ventura, Santa Barbara and Orange counties.

As is common with many 811 developers, for every building, we must raise private funding to fill in the gap between the HUD grant and the cost of construction – especially to make our units truly accessible to our tenants. For example, 50% of our tenants use wheelchairs. All of the doors in our buildings are equipped with infra-red door openers that enable an individual to hit a switch with any part of their body they can control. All of the units are fully accessible – roll-in showers, tilted mirrors, etc. to maximize the tenants' independence.

These units have literally changed lives. For example:

Steve Sanchez is 42 years old. From age 3 until he moved to our Santa Monica apartments 4 years ago, Steve lived in a state hospital in Pomona, California. Now Steve can make decisions in his life that you and I take for granted – like what to eat for dinner and which neighborhood Starbucks to visit in his power wheelchair.

Jessica Gould now lives in our Burbank apartments. Previously she also spent much of her life in a hospital. She cried on the building's opening day because she couldn't believe she would be able to live on her own.

I wish I could tell you that developing a HUD Section 811 is easy. Nothing could be further from the truth. Housing development takes time – but the Section 811 might set a record in that regard. And that's why the program urgently needs to be reformed.

Numerous and lengthy HUD processing delays occur on virtually all 811 projects. Many small projects with only 6 or 8 units take 5 - 7 years to complete because of the long time it takes for HUD to process the paperwork during various stages of project development. One of our projects funded in September 1995 was not available for occupancy until October of 2003 – a full 8 years after receiving our HUD award letter.

These delays eat up valuable time and also lead to huge increases in project costs. For example, our Section 811 project in Burbank took more than four years to complete. During that delay, the cost of building materials increased 25% or \$1 million of the total \$4 million cost of the apartment building. We had to raise the \$1 million privately to fill that gap; HUD does not

provide additional funds. We had already spent \$700,000 on the project and felt obligated to go forward.

Unfortunately, HUD bureaucratic delays are common and are the rule not the exception in Section 811 – and there are many steps that require HUD approval before a project can proceed to construction. After HUD notifies us that we have received an 811 grant, we engage in all the activities that will bring us to the point of breaking ground and beginning construction. These include architectural plans, approval by design review boards, engineering, landscaping review, public comments, city council meetings, neighbor issues, and discussions with public works, water and power and obtaining all permits.

On our Burbank project, we submitted all of our necessary forms (including signatures from all local departments and officials) - known as the “Firm Commitment Application” – within 9 months of receiving our HUD 811 award letter. HUD must then process this paperwork and conduct a capital advance initial closing where all the documents are signed by all parties before construction can begin. This step in the process for the Burbank project took 27 months and another of our 811 projects took 29 months – 2 years and 5 months! And that is only one step in the entire HUD 811 development process.

I’m sure these stories are not unique to United Cerebral Palsy of Los Angeles. I have talked to many other colleagues in the UCP network and they will no longer apply for HUD 811 grants because of these delays and the program’s burdensome regulations.

H.R. 5772 can solve many of the problems that cause delays in Section 811 development. This legislation would permit agencies like the California Housing Finance Agency – rather than HUD – to perform Section 811 project underwriting and processing. This change would be a major improvement in the administration of the program. Other aspects of H.R. 5772 would also help eliminate project delays. Among other things, the legislation calls on HUD to issue new program guidance – which is long overdue and could eliminate much of the bureaucratic “red tape” that now exists in 811 guidelines and policies.

There is a huge need for new supportive housing units in the Los Angeles area – and we simply cannot afford to wait years and years and years for a small number of units to be developed!

Please pass H.R. 5772 quickly to improve the development of supportive housing for people with significant disabilities.

Thank you.