

Testimony of Esther Gallow
Chief Executive Officer (CEO) of Booker T Community Outreach, Inc.

Good morning, I am Esther Gallow, chief executive officer of Booker T Community Outreach, Inc. in Monroe, Louisiana. Booker T. Community Outreach, Inc. (Booker T.) is a nonprofit organization founded in 1996. Our goal is to improve the living conditions of the poor elderly residents of the Booker T. community of Monroe by producing affordable, safe and decent housing and creating vehicles to improve the social and economic conditions of the residents in the Booker T. Community.

Monroe is located in northeast Louisiana, approximately 100 miles east of Shreveport and 100 miles north of Alexandria. Among cities with a population over 50,000, it is the third poorest in the nation. Of the 54,909 residents in Monroe, 37.8 percent live below the poverty line and 65 percent are over 60 years in age. Of the elderly minority, 70 percent have housing problems.

Booker T. is the oldest and largest neighborhood in Monroe where the greatest concentration of very low-income elderly African-Americans resides. It has the highest number of deteriorated and dilapidated structures in the Monroe. The median family income (MFI) of the 5,336 residents of the Booker T. community is \$10,723. Of those, 671 are extremely low-income, between 0 to 30 percent of MFI, which is an annual income of \$3,216 or less a year, and 447 are very low income, between 31 to 50 percent of MFI, which is an annual income range of \$3,324 to \$5,361 per year. The elderly rental population in Booker T. is 3,201 households. An alarming 71 percent of African American households are extremely low-income renters and 29 percent have incomes below 50 percent of the median family income. ⁽¹⁾

My organization, Booker T. Community Outreach Inc., is proud of the fact that through our efforts for the first time in 20 years reinvestment and revitalization is occurring in the Booker T. community. Thus far we have produced 33 units of affordable rental housing for extremely low income elderly residents in the Booker T neighborhood. Just last week we had the grand opening for 15 units for the elderly. We have produced economic development opportunities by creating a business incubator which houses four small businesses; a tax service, a florist, a taxicab service, and an emergency medical clinic. All of the employees live in the Booker T. community. We recently reopened a neighborhood convenience store staffed by Booker T. residents that had been closed for 10 ten years. We just received funding to provide day care services for young, single, working mothers, that will assist with safe and healthy child care needs for residents of Booker T.

When the long-time, low-income elderly in our community can no longer live in their own home they literally have no place where they can afford to go. My organization believes that it is important for these elderly residents to have the opportunity to stay in their community where they can continue to play a vital role and stay connected with their families. To address that critical need, Booker T. Community Outreach, Inc. has embarked on it's largest project, the production Booker T. Washington Senior Village (Senior Village). This \$5 million dollar project consists of 28 units of independent living rental housing for low-income residents, 40 units of assisted living, and an adult day care on a 7.2-acre site.

I believe The Booker T. Washington Senior Village can serve as a national model. This project is the first of its kind ever attempted in Louisiana, where assisted facilities for low-income elderly African-Americans are non-existent. It addresses the three key dimensions of elderly housing conditions: adequacy, affordability, and accessibility. The project will add jobs to the community and become a resource for youth to interact with elderly members of the community.

To accomplish our goals thus far and to make the dream of Senior Village a reality, many partnerships

are involved. First, Booker T. Community Outreach, Inc. enjoys a strong, positive and supportive relationship with the residents of the Booker T. community. Family and community members will play a critical role in the ongoing management of their family member by providing housekeeping, bathing and etc.

Present at this hearing are staff members from McAuley Institute. McAuley was founded by the Sisters of Mercy in 1983 and is the only national faith-based housing organization that focuses its resources on low-income women and their families. Seventy percent of the Booker T. community is made of women-headed households. McAuley's mission is to support the work of community-based organizations and their partners to create affordable and decent housing and strengthen communities. McAuley Institute has worked closely with Booker T. Community Outreach, Inc. since 1998, in providing both technical and financial services.

Along with McAuley, the Sisters of Charity of the Incarnate Word in Houston, Texas, have continued to support us from the beginning, providing crucial operating support and housing development funding for rental housing units. Through the Sisters in Houston, Booker T. was able to cultivate a relationship with the Sisters of Charity in Monroe. This congregation of women religious has provided Booker T. with the land for Senior Village through a \$1 a year lease agreement for 99 years. The Sisters, who operate St. Joseph's Nursing and Assisted Living Facility for moderate and upper income in Monroe, will be Booker T.'s mentor in managing the assisted living portion of Senior Village.

Booker T. is grateful to Senator John Breaux and staff members, Fred Hatfield and Jennifer Guste, who were instrumental in gaining statewide support for the development of Senior Village. Along with Senator Landrieu, they also provided the key support that led to Booker T.'s receiving a \$498,900 Economic Development Initiative (EDI) special project grant in the FY 2001 HUD appropriations bill.

Many other present and potential state and local partners are involved in the Senior Village project. Booker T. has submitted an application for tax credits through the Louisiana Housing Finance Agency (HFA). This relationship was developed in 1998, when McAuley began holding statewide training sessions that were co-sponsored by the HFA. The city of Monroe will provide the infrastructure of streets, water/sewage and drainage on the 7.2 acres site. This work will be paid for from Community Development Block Grant (CDBG) funds. The city has previously awarded Booker T. HOME Investment Partnership Program funds for other rental housing projects. Gregory Hamilton, Community Development Director (CPD) of the New Orleans regional HUD office, has been very helpful in assisting Booker T. in processing the necessary paperwork in order to receive our EDI grant. Hibernia Bank has made a commitment to Booker T. to provide construction or bridge financing for the project, if necessary. Booker T. also hopes to receive a grant from the Federal Home Loan Bank of Atlanta through their Affordable Housing Program. Finally, Booker T. has submitted a \$1.9 million Section 202 proposal to HUD. This funding will be used to assist in the construction and operation of the assisted living units in Senior Village.

Booker T. is grateful for the support it has received thus far for the production of Senior Village. In order to serve the extremely low-income elderly population of Monroe more is needed. I would urge this Committee: 1) to investigate ways to encourage states that have not yet granted Medicaid waivers for assisted living facilities to do so, and 2) to promote the use of project-based Section 8 certificates for extremely low and very low-income elderly in assisted non-Section 202 rental projects.

Louisiana has not granted needed Medicaid waivers. A strong coalition opposing Medicaid waivers for assistance living facilities has been able to keep those funds directed only to nursing homes. Many seniors who for various reasons need to leave their own home are better served in assisted living facilities. It is nearly impossible to sustain the operation such facilities over time without Medicaid

funds. Perhaps states could be given an enhanced federal match for covering assisted living facilities that serve extremely low and very low-income elderly. I would draw to the Committee's attention the fact that Life Care Insurance policies which will pay for assisted living expenses are very good vehicles for moderate income elderly persons, but they are out of the reach for the low income elderly population in the Booker T. community.

When HUD contracts directly with private landlords so that they can make apartments available to low-income tenants at rates they can afford, it is called "project-based" assistance. Public Housing Authorities (PHAs) can project-base 20 percent of their total Section 8 vouchers and certificates. The Monroe PHA has not done any project-basing thus far. It has 583 vouchers and 564 certificates available and 1,522 units of public housing. It has a waiting list of over 1,634 families of which 932 are elderly. (2)

The Senior Village independent living rental units would help meet the needs of these elderly households. Receiving Section 8 project-based rental assistance would greatly assist in meeting the on-going operating costs of the facility.

Finally, I would urge this Committee to press for directing more federal resources to producing assisted living facilities that serve low and very low-income elderly. There is an urgent need to address the comprehensive housing and health care needs of low-income elderly persons in our nation. As the elderly population grows, the need for low-income assisted living options will become even more pressing.

How far you go in life depends on your being tender with the young, compassionate with the aged, sympathetic with the weak and the strong, because someday in life you will have been all of these. (3)

I thank you for this opportunity to present my views and would be pleased to answer any questions the committee members may have.

¹ Consolidated Plan 2000 for the City of Monroe, LA , Department of Housing and Community Development, Melvin Rambley, Mayor

² Consolidated Plan 2000 for the City of Monroe, LA , Department of Housing and Community Development, Melvin Rambley, Mayor, p. 45

³ Slvia's Book of Poetry, Washington, DC 1995