

**STATEMENT ON PARTICIPATION IN HUD PROGRAMS  
BY FAITH-BASED ORGANIZATIONS**

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To the Honorable Bob Ney, Chairman of the Subcommittee on Housing and Community Opportunity and the members of this most important body, Ladies & Gentlemen; thank you for the opportunity to testify before this committee on a subject that is most important to the future of our nation. As pastor of Fellowship Chapel in the city of Detroit and as president of the Detroit Branch NAACP (the largest branch of the NAACP in our nation), Strengthening America's Communities through Faith-Based Community Development embodies a critical concern for our constituents. The proposed rule on participation in HUD programs by faith-based organizations raises serious concerns for both the religious freedom and civil rights of our nation.

Executive Order 11246, which prohibits the Federal Government from discriminating against federal employees, government contractors and subcontractors and grantees that have construction contracts on the basis of race, creed, religion, color, national origin, or sex has a long and distinguished history in preserving the equal opportunity of our nation. It dates back to former president Franklin Delano Roosevelt and his work with civil rights activist A. Phillip Randolph. It has served as a hallmark to protect American citizens regardless of their status against discrimination in various forms. The Following are some of my concerns as it relates to faith-based funding:

The proposed rule change presented by HUD would unfortunately give religious organizations a special right to ignore laws and the Constitution of the United States which guarantees the Freedom of Religious expression as well as denominational preference.

It is my fear that the current language in the HUD-proposed rule that suggests that religious institutions may retain their independence from

federal, state or local governments can be misinterpreted to suggest that religious institutions are exempt from the non-discrimination laws. It is also my concern, particularly at this time in our nation's history, that religious institutions receiving funds from these sources may well choose to discriminate against African Americans who do not support their theological view, Muslim-Americans who practice Islam and Jewish Americans, particularly as our nation is at war in the Persian Gulf. It would also increase the tension between those who possess a conservative religious belief versus those who practice a more liberal theological view. I certainly support faith-based development in rebuilding our communities. This has long been a practice of churches, temples, mosques and synagogues to move from the church in worship, to the church at work. Yet, I am reminded according to our collective faith that, "God is no respecter of any persons." Colossians 3:25. In other words, discrimination is intolerable from the vantage point of serving God in the process of uplifting his people.

I am concerned that this rule would present a barrier to dollars that are already reduced in the Community Development Block Grants program, one of the key agencies established to do community development. This could possibly lead to a diversion of funds that have been sorely needed to develop affordable housing, rehabilitation and renovation at a time when these programs are being eliminated. In the quest for financial assistance to do community development, this will lead to a greater challenge of cities and townships to provide services to local communities.

I am concerned about the direct funding to religious institutions which proselytize and provide religious instruction in their facilities where beneficiaries of such programs may redeem coupons, certificates or vouchers. The direct funding of religious institutions may also create an intermixing of funding dollars with the regular funds raised during the churches regular business. This can lead to inappropriate auditing of funds from worshipers and program participants and the possible misuse of federal dollars, as well as places religious institutions in jeopardy of losing their 501(c)3 status.

There is also the political reality of the attempt by some to use the "stick and carrot" approach to faith-based development. It provides a doorway to access the minority community as a way to gain political favors and support on the basis of financial contributions (the carrot) and auditing or eliminating financial support (the stick). This is not the way in which we believe services to our community can best be achieved.

I do have several recommendations that I believe would help strengthen America's communities. This is particularly important in that in the State of Michigan, Governor Jennifer Granholm has announced a \$1.8 billion deficit,

which will eliminate many of the programs associated with community development at the local level. An even greater burden will now be placed upon the faith-based community to increase its work in providing whole and healthy communities. The availability of financial aid for community development must be increased. The government should maintain a clear and distinct policy of separation of church and state.

The government should continue to fund and provide services separate and apart from any religious activity in a coherent and an identifiable manner. Certainly, the proposed rule needs to state very clearly that religious organizations and institutions do not have the right to discriminate against any participant on the basis of religious affiliation. Likewise, the forced or suggested adherence to religious study or tradition should not be a prerequisite for participation in any part of the programs provided by faith-based organizations.

Faith-based organizations require and need technical assistance to strengthen the application process and their knowledge base of available programs. There is also a need to strengthen the process to evaluate and monitor such programs and to assist with professional staff development. Many small institutions who have the great zeal and desire to rebuild communities, simply do not have the resources and the knowledge to accomplish the same. HUD can provide a great service and spread the wealth by providing assistance to these institutions.

There is a need to increase funding to provide greater instruction in maintaining communities, improving housing quality, and establishing model communities throughout our nation. Finally, the careful consideration and restructuring of lending practices to small and low-income families must be reviewed where credit ratings and inappropriate scoring prevents applicants from home ownership, as well as securing mortgages. These are some

suggestions which I believe can assist in the Strengthening of America's Communities and improving the quality of life throughout our nation.

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