



HB852 - Expedited Development Review Processes for Affordable Housing - Applications to Religious Organizations

Testimony to the House Environment & Transportation Committee

Position: Favorable with Amendments

submitted via electronic transmission

February 21, 2023

To Chair Barve and all Members of the Committee:

I am writing today on behalf of Enterprise Community Partners (Enterprise) **to urge support for HB852** to ensure that faith-based development proposals including housing affordability be eligible for the same considerations as other providers in jurisdictions with expedited project review processes.

As a leading national and state provider of faith-based development expertise, training and technical assistance, development partnerships, financing, and peer-learning programs, Enterprise is also uniquely positioned to provide suggestions that may enhance the bill's tenets further, as outlined below for your consideration.

About Enterprise:

Founded 40 years ago here in Maryland, Enterprise is committed to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.

Our impact and investment in Maryland housing and affordability is one measure of our commitment to the state and its residents. Enterprise's affordable housing production, preservation, and rehabilitation efforts total more than \$1 billion in total portfolio value, including 76 apartment communities and more than 7,500 homes in Maryland. Our work is centered on holistic resident services and environmentally sustainable design, construction and operations.

In addition, we provide millions of dollars each year in loan financing, equity investments and grants to nonprofit and mission-minded community organizations, as well as technical assistance, partnerships, and a variety of federal, state, and local policy analysis.

Since 2006, our [Faith-Based Development Initiative](#) (FBDI) has leveraged \$2.2 million in grants, and \$154 million in total capital for faith-based development in and near Maryland. Participants in the initiative have created or preserved 1,500 homes.

Enterprise brings substantial first-hand experience with the vital role Maryland's houses of worship can continue to play in helping to achieve state and local goals for meeting housing affordability and other community needs. We support legislation like HB852 that ensures equitable treatment for faith-based proposals to be considered in local review processes, and to benefit as other projects would in

cases where expedited review is possible. We applaud Delegate Stewart and fellow committee members Long, Holmes, and Ruth as co-sponsors for proposing this legislation, and express appreciation for all housing affordability champions on the committee.

Benefits of HB0852:

As submitted, the bill would ensure that any affordable housing project with a house of worship as a partner would be eligible for the same expedited process review as any other eligible project. This is important because any redevelopment project on property held by a house of worship will be subject to the same costs of development, the same challenges and standards as other projects. The internal house of worship's review and decision to submit a proposal as well as public review is always rigorous and involves substantial time and energy.

At a time when Maryland communities need quality, affordable housing at historic levels, more religious organizations with land holdings are considering leveraging their properties as a way to help meet their mission and support community members in this way. Having equal access to any considerations at the local jurisdiction level, such as an expedited review process, affords more resources that can be invested back into the project itself, and supports bringing needed affordable housing homes to a community as quickly as possible.

The bill also identifies what entities will qualify for this consideration. Creating a definition for a "bona fide" religious organization helps to reassure all Marylanders of the good-faith intentions and legitimate considerations of those projects that would seek such designation as a religious organization.

Additional considerations on HB852:

One observation with the language in the current bill relates to Section 7-105(B)(2)(I) (page 3, lines 17-20 of the published bill.) That language states:

15 **(2) IN ORDER TO QUALIFY FOR THE EXPEDITED DEVELOPMENT**
16 **REVIEW PROCESS, THE BONA FIDE RELIGIOUS ORGANIZATION SHALL:**

17 **(I) RESERVE AT LEAST 50% OF THE DWELLING UNITS IN THE**
18 **PROPOSED AFFORDABLE HOUSING DEVELOPMENT FOR INDIVIDUALS WHOSE**
19 **HOUSEHOLD INCOME IS LESS THAN OR EQUAL TO 80% OF THE AREA MEDIAN**
20 **INCOME; AND**

21 **(II) DEVELOP THE AFFORDABLE HOUSING DEVELOPMENT ON**
22 **PROPERTY OWNED BY THE ORGANIZATION.**

It is our experience that many religious organizations participating in our faith-based development initiative always meet and frequently exceed the housing affordability requirements within a local jurisdiction's published standard.

The requirements in the subsection (I) here seem to prescribe a specific minimum threshold for both percentage of units and income levels for projects involving religious organizations. Without knowing what requirements may be imposed on non-house of worship projects in localities with expedited review processes, we wonder if it is necessary to prescribe the religious organization project specifications in state law? Does this clause promote the same equitable consideration as the other excellent tenets of the bill, which offer true parity for religious organization-involved housing projects?

We suggest amending the legislation to provide more flexibility to religious organizations so they can meet or exceed the same affordability standards as their peers in expedited review processes.

Our team would be happy to answer any questions you may have about our work in Maryland, and we appreciate your consideration of these views. On behalf of Enterprise Community Partners, we urge you to support HB852 as discussed herein.

Respectfully submitted:



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