



# Sheltering the Body and the Spirit: The Role of Faith-Based Organizations in Affordable Housing Initiatives

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## Understanding the Landscape of Faith-Based Affordable Housing

As this audience knows well, there is an enormous national housing shortage numbering in the millions of units, and communities nationwide are searching for innovative solutions to address the deficit. True to their identities, congregations, religious organizations and social service networks, and other faith-based organizations (FBOs) are considering community development as an innovative way to engage with and serve their communities. One option we are seeing more frequently are partnerships between faith-based organizations and private developers who can bring real estate, financial, legal, and strategic resources and expertise.

## Reasons Why Faith-Based Organizations and Private Developers May Be Optimal Partners

FBOs are often well connected to their communities, and may provide housing services or support, including temporary shelter for individuals and households facing housing instability. Private partnerships may enable FBOs to expand their social support through community development and permanent/semi-permanent affordable housing. Given their mission-driven connection to the community, FBOs bring an on-the-ground perspective in identifying and developing solutions to local affordability challenges, for example, providing rental housing with supportive services for vulnerable populations, such as seniors, veterans or families of limited income.

Further, FBOs may be well-positioned and incentivized to repurpose their property. Many FBOs own significant amounts of underutilized or vacant property in both expensive and distressed real estate markets that can be developed to increase access to affordability and spur revitalization. FBOs may be looking to move to where their parishioners have moved (often the suburbs). Other FBOs may be interested in repurposing their real estate assets for financial considerations because of declining attendance or rising maintenance costs. Private developers may offer joint venture or long-term leasing opportunities, providing FBOs with redevelopment funds and a stable, recurring financial stream to cover overhead and the costs of social programming, all while expanding the access to safe, affordable homes.

From the perspective of a private developer, collaborations with an FBO can offer immediate and long-term financial benefits in achieving the mission-based, profit-driven ownership and development of a project. Faith institutions are some of the largest landowners in the country, often land-rich and cash poor due to possessing historic assets or unused land well-placed for community-focused housing projects, particularly in dense urban and gentrifying areas. FBOs may further offer community roots, local ties, credibility and trust that can assist in smoother project execution.

## Building Trust and Collaborative Frameworks

Community development is difficult in the best of times. Successful collaborations hinge on addressing potential concerns and establishing trust between developers and faith-based entities and understanding the intricacies of these long-term, complex, resource-intensive collaboration is crucial for success. We address some of those considerations here.

1. **Understanding Concerns:** Developer and FBO partners must understand their own strengths and weaknesses, as well as the perspective of their partner. Developers should be sensitive to the potential reservations FBOs might have, such as preserving the sanctity of their spaces, satisfying the needs of their congregation, or ensuring that the surrounding community benefits. FBOs must understand the complexities involved in bringing a real estate development to fruition, including the necessary sustained commitment and the financial considerations that underwrite any successful project.
2. **Shared Vision:** Building on this perspective of understanding, the sacred and secular partners should discuss and align their vision of the development project. The partners must be clear on the development goals of the community and

financial goals of the investors, how the partnership will accomplish such goals, and how the development will serve the mission of the FBO and the affordable housing developer.

3. **Transparent and Comprehensive Internal Communication:** To form and articulate a shared vision, the partners need an open dialogue about project goals, financial arrangements, development schedules, and community impact. Regular communication between one another and within their own internal structures is essential. The FBO should seek buy-in from its leadership structure and its real estate decisionmakers — which may include governing bodies of the religious organization, e.g., the Archdiocese of Baltimore — and buy-in from the congregation, as well as community stakeholders. Which leads us to...
4. **Transparent and Comprehensive Community Feedback:** Engaging with local communities as well as expanding external networks, public and private, are just as important to identify housing needs and potential solutions and bringing them to completion. This may involve regular community status meetings or written updates. Some communities may view any new development as unwanted intrusion or gentrification. The most successful projects integrate into the community, reflecting its character, values, and needs.
5. **Mission Statement and Development Plan:** With this framework in mind, the partners should craft an inclusive, comprehensive, feasible development plan with clear goals and objectives. This development plan will increase the project's viability and impact by keeping it on track and avoiding burdening it with competing goals.

## **Conclusion**

Collaboration with faith-based organizations offers a promising avenue to help address the affordable housing crisis. By understanding the landscape, building trust, and effectively leveraging assets, FBOs and developers can embark on successful and impactful housing projects together.

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