

**TESTIMONY OF
THE HONORABLE REV. FLOYD H. FLAKE
to the
SENATE FINANCE COMMITTEE
March 14, 2001**

Mr. Chairman and Members of the Senate Finance Committee, I am pleased for this opportunity to be on the Hill once again to testify on a subject that is dear to my heart, Faith Based Community Development Initiatives. Prior to my election to Congress in 1986, during my tenure here and until the present time, I have had the privilege of serving as the Senior Pastor/CEO of Allen A. M. E. Church in Jamaica, New York.

During these twenty-five years, I have led a wonderful congregation in building new paradigms by creating eleven 501-C3 nonprofit, and three for profit corporations that have provided educational, social and economic services to the community. These faith-based institutions functioning beneath the umbrella of the Church have been credited with changing the dynamics of the community and spurring new housing and economic development projects in a community that was once viewed as blighted and unstable.

News accounts, prior to the mid 1980's consistently chronicled a middle class community that was in decline. The census of 1980 indicated that the Greater Southeast Queens Community, consisting primarily of fine, tree-lined, single and two-family homes, represented the highest percentage of middle-class African-Americans in New York City. These neighborhoods of Rosedale, Ozone Park, Laurelton, Springfield Gardens, Cambria Heights, St. Albans, Queens Village and Jamaica were inhabited by homeowners whose median income was \$39,800. The median income also superseded that of surrounding white neighborhoods. Yet, the community had all of the negative characteristics of neighborhoods which were much poorer.

How could such a community be so devastated and so much like poorer neighborhoods? Schools were not performing, crime had escalated, infrastructures deteriorated and the commercial strips were blighted and overrun by drug dealers. This, in a community where people had moved from other blighted areas "Up to" Queens. They came to escape similar conditions in the neighborhoods they had left behind, but often found disappointment as their new community soon resembled the old one.

When I left my position as Dean of Students and Interim Dean of The Chapel at Boston University, to accept the pastorate of Allen A. M. E. Church, I had a vision for a better community and challenged the congregation to invest in it.

Our first project was a 300- unit, Section 202 Senior Citizens Housing Complex which was built on a block that had been designated for urban renewal in the Sixties. This development was the first major building project in the area in a number of years, and filled a lot that had been a major eyesore - occupied by junk cars and debris. This partnership between Allen A. M. E. Housing Development Corporation as the community sponsor; the Department of Housing and Urban Development as the

Federal Agency; the State Department of Housing and Community Renewal, which provided technical assistance; and, the City Department of Housing Preservation which conveyed the urban renewal site, brought new hope to the community. It represented a great synergy of government and a faith-based institution working to the common good of providing affordable housing for seniors. The added benefit was the development of a stabilizing influence within the community. We subsequently worked with the City to provide \$2,500 in matching grants to fifty homeowners whose property was within a four-block radius of the new complex. Each homeowner that participated in the program was thus able to invest \$5,000 to improve their homes. These blocks took on new life when Brooklyn Union Gas and Con Edison Electric Companies provided free gas and electric lawn lights for each home. Some homeowners who had thought of moving from the neighborhood stayed and subsequently invested even more in their homes. Community revitalization through a faith-based government-private partnership has changed the perception of the community from within and without.

While these projects were in the works, the congregation was busy raising \$1.5 million to build a school. Construction on the Allen Christian School began in 1980 and was completed in 1982 on a corner where drug dealers previously congregated in an abandoned hamburger shop. The school, which opened in 1982 has a student population of 500 in grades Pre-K through eight. The graduation rate is 99%, and students score in the highest percentiles on state and national tests. Not only has the school impacted the community pedagogically, it has also had a tremendous aesthetic impact. The \$4 million, 104,000 square foot structure sits on one of the main intersections of the neighborhood, and, since its construction, numerous other housing and commercial developments have emerged around it. Other congregations have also broadened their outreach by developing family life centers and expanded commercial enterprises.

The Allen Church, in order to protect its students and property, purchased (through its Allen Neighborhood Preservation Corporation) fifteen commercial buildings that surround the School. These purchases made Allen the landlord over properties previously occupied by drug dealers and illegal after-hours clubs. They were soon out of business and replaced by insurance, law, travel, real estate, restaurant, florist and other businesses. These land purchases were made exclusively with Church monies, and made possible by the phenomenal growth of the congregation when it extended its outreach services to the community.

It is my hope that the Office of Faith Based and Community Initiatives will include the capability for nonprofit organizations to purchase deteriorated and blighted properties with accompanying resources for rehabilitation. Commercial stores are the “windows” of the community, so even when there are significant housing starts, potential homeowners will bypass communities where there is uncertainty of a good, long-term return on their investment. We realized that there is a connection between strong churches, schools, commercial amenities and home-ownership. However, most churches do not have the resources to purchase vacant and non performing properties without some assistance. It is to the government’s advantage to assist so that these properties can begin paying property taxes.

With this reality, our next venture was the building of two and four-family homes. Working with the New York City Partnership, Fannie Mae and the City Department of Housing Preservation, we

were able to build 166 units of affordable housing for first-time home buyers. Allen's Housing Corporation provided counseling, credit advice, and performed the screening for the homeowners. These units were built on scattered sites provided by the City. Lots that were formerly cavities where weeds and junk accumulated unabated are now the homes of working class civil servants and young professionals. Each owner also has a rental unit which generates a secondary source of income. This is another instance of faith-based and government working together for the betterment of the community. Homeowners are building equity, which is essential for the bridging of the wealth gap that exists between minorities and others.

The Allen Church, through its subsidiary corporations, has had great success as a faith-based provider/partner with various government agencies. It runs a home care service for five hundred persons, a mental health center, a domestic violence facility for women and children; a community health clinic, teen counseling services, and more than 101 ministries. By leveraging its tithes and offerings with funded programs, it is able to have a positive impact on its community. But there are always more problems than resources to solve them. That is the reason President Bush's Faith Based and Community Initiative is so very essential.

Charitable choice and Faith Based and Community Initiatives will be much more effective with the emphasis that the White House has given by establishing an office to assist groups to navigate the Federal terrain. There are many grass-roots, faith-based and community groups that have the heart, but not the hearth to perform because of limited resources. They have the potential to reverse the negative trends within their communities, but need the empowering support of government agencies.

We have found through our work at Allen that when a faith-based group is successful in meeting community needs, foundations and private donors respond favorably with financial support to assist in building capacity and enlarging the arena of service.

The private sector has been left out of the equation for too long. If America is to retain its position as a world power, it should involve all of its partners in the rebuilding of the spirit of the nation. This can only be done when we put aside arguments about who should not be at the table and offer an open invitation for all interested parties; government, private, faith-based, community centered, business and foundations to join in building a new paradigm, so that the needs of all Americans are met. "Life, liberty and the pursuit of happiness" mandates that we not hide behind the Constitution to separate people, religions or agencies of government. Rather, we must build a new paradigm that brings people together regardless of race, creed, religion or gender.

We must prove the greatness of our democracy by assuring that no child or family is left behind. The new paradigm requires corporate donations, charitable deductions, tax credits and compassionate approaches to social problems. We must build the paradigms with partnerships among organizations who share visions for a greater America.