Building Opportunity for Housing Faith-Based Roundtable

Event Summary March 2023



Thank you to everyone who was able to attend the Faith-Based Roundtable on March 16, 2023 and thank you to Salem Lutheran Church for hosting the discussion. We are grateful for the useful feedback from religious institutions and affiliated organizations who either provide housing for the community, are interested in providing housing in the future, or simply work with congregations made up of people who are affected by the current housing climate. In an effort to ensure we've captured some of the main points, as well as in hope of keeping these topics moving forward throughout the process, the following summary is provided.

Faith-Based Roundtable Overview

Following on the heels of the successful <u>Building Opportunity and Choices for All interim ordinance</u>, the Building Opportunity for Housing project intends to develop lasting <u>Comprehensive Plan</u> and <u>Municipal</u> <u>Code</u> amendments that increase housing choice and diversity in the city. One component of the work



Salem Lutheran Church, host of the March 16, 2023 roundtable discussion.

being undertaken by the Building Opportunity for Housing project is to ensure that the City's Comprehensive Plan aligns with updated regulations recently passed by the State Legislature. Passed in 2019, House Bill 1377 provided an avenue for religious organizations to request additional density for affordable housing developed on property owned or controlled by the organization. The intent of the bill was to provide religious institutions with more opportunities to redevelop their land with long-term, income-restricted affordable housing. Because Spokane is home to so many faith-based organizations, some of which both desire and are well placed to provide essential housing to those in need, the City is seeking to explore this option and to determine how best to fold it into the overall housing actions the City is contemplating. This is one facet of

the many different strategies currently being considered by the City but is an important component in the overall housing picture in Spokane.

As a key exploration into the relationship between faith-based organizations and housing, a faith-based roundtable discussion was arranged with the help of Drew Peterson of Knox Presbyterian and held on March 16, 2023. For this event, faith-based organizations were invited who either actively provide affordable housing, have indicated interest in providing housing in the future, own sufficient land to potentially provide housing on their existing properties, and/or currently provide community services that tie into the topic of housing. Additional organizations with similar focus were also invited to ensure



a diversity of opinion and community to which they serve. In total, 24 participants were able to attend, and those groups spent the afternoon talking with us, and each other, about housing in Spokane.

What is your relationship to housing?

In order to frame the discussion, roundtable participants were first asked to explain their current relationship to housing. Attendees experience with housing ranged from organizations currently providing housing to those who had not yet considered it but whose mission included community support and care for those in need. Of those organizations that currently provide housing, those efforts ranged in type and location, including:

- Housing on the same property as the main church building;
- Housing on property owned by the Church but located separately; or
- By financing/managing programs managed developed by others.

The discussion was wide ranging and illustrative of the range of ongoing efforts and needs. Below are some high-level elements of that discussion:

- Organizations received most the funds available from the Department of Housing and Urban Development (HUD) in the 1970s and 1980s, allowing for asset purchases;
- Organizations that gained such assets are now able to refinance to provide funds to build housing on the existing property or to purchase new property;
- While much of the funding has come from HUD, program requirements and reporting for HUD programs are currently very difficult for some attendees to navigate;
- Many participants required separate property management services, which could include lending support;
- o A desire to provide housing, while maintaining the church use was prevalent;
- Providing housing can serve as an identity-forming activity for the religious organization and the created living community;
- Many are currently providing senior housing, with a desire to create low-income housing for multiple generations; and
- Collectively, religious institutions own a significant amount of property with Spokane city limits, allowing for potential collaboration.

Participants wanted to emphasize that they saw faith-based organizations as *part* of the housing conversation. While there were differences of opinion on the overall role, faith-based organizations in general were viewed as a small component of the physical aspect of providing housing, but one whose

role could be much larger if more opportunities were available. To the participants, the story of housing needed to be connected to the story of healing, examining community aspects that can lead to a lack of housing.

Identified Opportunities

During the roundtable discussion, the group identified and discussed some barriers to faith-based organizations providing housing and what opportunities exist to mitigate those barriers.

- Reduce parking requirements for church uses on properties also providing housing, to allow for a better use of available space;
- Faith-based organizations are well placed to provide housing in coordination with social services ("housing plus community");
- Due to the difficulty of relying on federal funding, allow both affordable and market-rate housing to open the opportunity for private financing, making projects easier to develop;
- Provide guidance and training to demystify the planning and building process to institutions without significant existing knowledge and comfort with City processes;
- Improve or streamline the process to rezone a property to allow for increased density and/or allow for more mixed-used opportunities;
- Exemptions to faith-based organizations or other non-profit organizations should consider the
 different ways ownership can impact whether those exemptions apply or not (e.g. property may
 be owned by the church or by an LLC, the church may be providing financing but not own the
 property, etc.);
- Exemptions to faith-based organizations should be applied to the organizations and not just the property, to avoid the buying of church properties by developers for housing-only developments;
- Consider religious institutions that own existing property that they want to redevelop, in addition to institutions that want to purchase separate property for housing;
- Develop a program/method for the release of surplus City property for development of housing by faith-based organizations;
- Create a housing benefit district along the freeway where vacant WSDOT property currently exists;
- The desire to "right size" existing church buildings provides the opportunity for more available space for housing on these properties—for churches with smaller congregations, a smaller church building could be sufficient and allow for reuse of the remainder of the property;
- Consider allowing density bonuses for any actions that provide value to the community (community gathering space, social services, affordable housing, etc.); and



 Acknowledge that the City needs to incentivize affordable housing for larger developers, but also needs to make providing affordable housing feasible for entities who already want to provide that resource.

Continuing the Conversation

A common theme throughout the roundtable discussion was the group's desire to keep the conversation going, recognizing that they all shared many of the same goals. As such, Department staff has asked permission from each attendant to share their contact information with the group. Below are some items that were brought up as potential "next steps" for the faith-based organizations:

- Share lessons learned with the group;
- Share financing opportunities;
- Form an interfaith coalition that comments on relevant state legislation, such as <u>HB 1628</u>, <u>HB 1111</u>, <u>HB 1695</u>, and <u>SB 5334</u>;
- Consider how faith-based organizations can provide services and support to persons of all faiths and ideologies;
- Form an interfaith coalition to combine financial resources to allow for larger developments;
 and
- Collectively or individually consider the social role of faith-based organizations in the conversations.

Parking Lot

During the conversation, specifics concepts were brought up that are not within the purview of the Building Opportunity for Housing project. However, we recognize that successful community planning relies on the interconnection and collaboration of services across many topics. As such, a "parking lot" was established to capture these ideas so they could be sent to the appropriate project teams, City Departments, or decisionmakers.

- Unhoused persons should be provided with trash services, or faith-based organizations should be provided with additional services to accommodate the additional need;
- Ensure that youth suffering from homelessness, not just adults, is part of the conversation when providing homeless services;
- Ensure all growth projections and housing needs anticipate continued unprecedented growth,
 rather than following the current curve; and



 Allow for the ability to use technological advancements (e.g. 3D printing or modular housing) to provide more affordable housing options.

Next Steps

The first part of the Building Opportunity for Housing project involves an update of <u>Shaping Spokane</u>, the city's comprehensive plan. The updates will be targeted to the vision of housing and related policies that are necessary to improve access to housing choice in Spokane. Once the comprehensive plan is updated, development regulations within the <u>Spokane Municipal Code</u> will be updated to modify housing requirements and allowances. We anticipate this overall effort will be completed by the end of 2023.

Both the comprehensive plan and development code amendments will first go to <u>Plan Commission</u> for recommendation of approval, before going before <u>City Council</u> for the final decision. City Council decisions are then sent to the <u>Mayor</u>, to sign, veto, or leave unsigned.

As far as engagement, the faith-based roundtable was just one opportunity for the participants to stay engaged in the ongoing project. Department staff will continue to be out in the community sharing about the project, both related to the religious institution discussion and beyond. Public comments will be accepted for both phases of the project, to be sent on to the Plan Commission and/or City Council for review during decision making. Department staff is also available to answer questions or receive feedback anytime, at developmentcode@spokanecity.org.