

Bishop's Committee on Affordable Housing: Build Homes

Discern God's call to welcome new neighbors and build right-priced homes on under-utilized church land or buildings.

The shortage of affordable homes in North Carolina has been exacerbated by the rapidly growing population in the state. Population growth puts demands on the supply of available housing, driving up the price of existing housing. The growing cost of construction and scarcity and growing expense of land with infrastructure (streets, water, sewer, e.g.) significantly drive up the cost of new housing to meet the demand. This makes the financing of new affordable housing very challenging, especially for those homes that target extremely low-income renters.

Churches, with the approval of the Diocese as property owner, have the potential to sell, develop, or repurpose a portion of their property (whether it is land for a new development or portion of an existing building) to create new affordable housing or buildings dedicated to community services.

"In almost every community, houses of faith occupy well-placed, under-used properties in prime neighborhoods and near schools, transit, and employment centers. As odd bedfellows, church leaders are learning the basics of land development, and affordable housing developers are learning about church governance, polity and finance laced with scriptural and theological motivations." ("Ground Game: Churches are poised to help develop sorely needed affordable housing." Business North Carolina, John Cleghorn, 11/1/2024)

First steps: Choose the vision:

- What is our vision? What do our church members, clergy and vestry, and community partners want to do?
- What are our resources? What are our skills, our time commitment for long-term projects, our connections to the broader community? Who do we want to serve—families with children, seniors, people with special needs?
- What buildings, parking lot, or sections of land are not being fully used and is there street access? What are our financial needs from development (rents or sale of property) to sustain ministries while achieving affordability?
- Who can guide us through the complexities of housing development? *The Bishop's Committee on Affordable Housing can connect churches to churches with similar experience and to resource organizations.*

Next steps: Choose the team:

- **Developers** who have expertise in land development, financing applications, zoning, regulatory matters, permitting, project planning and process management.
- **Architects & Engineers** who design the site and buildings within local, state, and federal design requirements for permitting, funding, and construction. Architects can act as community engagement leaders for the church and assist in the procurement of early regulatory entitlements. Often Architects are brought in early to partner with the church during the visioning steps and play a critical role in the feasibility phase to help determine what is possible to build.
- **General Contractors / Construction Companies** who prepare the site and build the project.
- **Lenders & Finance Partners** who provide the financing; private developers, local banks and national banks, local municipalities, state and federal agencies are among the options to help secure financing to fund the pre-development process all the way through construction and project completion. Most projects require a "capital stack" of multiple sources.
- **Legal Land-Use Counsel / Law Firms** who advise about zoning and other local matters. Note: Diocesan attorneys review and approve contracts related to real estate.
- **Professional Property Managers** who are responsible for leasing and maintenance for long-term sustainability.
- **Church Point of Contact** who maintains constant communication between the church and the development team.

Next steps: Develop Housing:

Site Evaluation, Feasibility Study, Planning & Design, Financing, Permitting, Construction Administration. From start of idea to the project opening, it could take 3-5 years. There are many factors which impact a development project, and having an experienced, capable, enthusiastic, and dedicated team of partners, advocates, and professionals to walk beside your during the journey is critical. Reminder to be patient. With God's grace and church members committed to being part of the journey, housing will be built for those who need it.

Next steps: Welcome new neighbors:

Plan for community gatherings, welcome gifts, and invitations to church programs, such as health services or childcare.

Housing Jargon:

Cost-burdened: households paying more than 30% of their income for rent or mortgage + utilities, insurance, property taxes

Area Median Income (AMI): gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD; income levels are stated as percentage of AMI.

Assisted Housing: Housing where the monthly costs to the tenants are subsidized by federal, state, or other programs.

Low Income Housing Tax Credit ("LIHTC"): Federal Treasury Department program to generate equity for investment in affordable rental housing.