

SPIRITUAL & SERVICE ORGANIZATIONS FLEXIBLE HOUSING INITIATIVE

"SOFHI"

OBJECTIVE: To legally and affordably place small-scale housing on property owned by nonprofit spiritual or social services-based organizations **via an expansion of the Accessory Dwelling Unit (ADU) ordinance** and ministerial process, as to rapidly inject a supplemental supply of housing that's inherently positioned to serve those populations most in need.

- I. A SENSIBLE SOLUTION: Land Use. Many of these types of organizations own and occupy property with underlying residential base zoning. Even with relaxed parking ordinances that incentivize these organizations to develop housing on their property, many don't have the wherewithal to undertake the development of a traditional apartment building on their site. The current state and local Accessory Dwelling Unit (ADU) laws are a low-cost, high impact tool to empower private owners of residential property to supplement the housing supply. This housing is flexible (allows the owner to establish their own rents and tenant pools), which encourages the owner to actually rent out the property, and in turn, ease the pressure on existing housing supply.
- II. To expand these Accessory Dwelling Unit laws (and accompanying waivers and incentives) to nonprofit spiritual and service organizations **to provide one to four (1-4) ADU's on their residentially zoned site** (single or multifamily), would immediately provide an impactful supply of flexible housing. In most cases, this housing would serve lower income households, while enhancing the community surrounding such mission driven organizations, who may already be providing services to lower income populations.
- III. Important aspects of Accessory Dwelling Unit ordinances include reduced or waived processing and development fees, and allow such accessory uses to be tied into the existing building services, thereby reducing costly utility connections and metering fees. This low cost, administrative approval and entitlement process would help enable the placement of such units to be financially feasible for such nonprofit organizations. In many cases, just as with private ADU's, the housing units provided are smaller, cost efficient units that may be produced offsite (modular), and placed in service rapidly, having immediate impact to increasing the housing supply. Costs for an ADU of 300sf-400sf is typically closer to \$100,000 than to the \$450,000 average cost of a comparable affordable apartment. This low price point allows for a variety of financing options and can provide a positive rate of return for the owner, even at below-market rents.

- IV. Such a land use policy would not preclude the same organizations from producing traditional, larger scale apartment complexes, which come with high infrastructure and development costs. Rather, it would provide the smaller organizations the ability to also participate in providing housing solutions. Consider that perhaps only 1 in 100 such spiritual organizations would be willing and able to develop a 30-unit apartment building on their site. With the expansion of the ADU law to these same organizations, perhaps 50 of the 100 would now be willing and able to provide an average of 3 units of housing on their sites. The result would net an additional 150 units of housing across those same 100 sites. Small scale does not mean, “small impact.” Sometimes it’s the smaller details that can have the greatest impact.
- V. Spiritual organizations typically operate under some form of a Conditional Use Permit (CUP). The proposed expansion of the ADU law to these qualifying organizations would also have to allow for the CUP to be amended ministerially (over the counter).
- VI. Many of these properties have excess or unused space, but a majority of them do not have so much space that they can physically place even more than a few accessory units. A popular desired use is to supplement their religious or social service operations with housing units to shelter those who may already be participating in the organizations’ recuperative service programs, or otherwise provide supplemental income to support and sustain their mission of helping others.
- VII. THE PROPOSAL: To request local or state lawmakers to expand existing Accessory Dwelling Unit laws to qualifying spiritual or nonprofit service organizations to allow a “by-right” or ministerial mechanism, for such qualified property owners, to allow the placement of accessory dwelling units, the quantity of which could not exceed four (4) units. Proposed components/structure of an effective policy:
- a. It must be “FLEXIBLE.” Due to the small scale (number of units) of such an approval, it’s imperative that these approvals be granted without affordability covenants or deed restrictions (much like the existing ordinances that allow and encourage the placement of accessory dwelling units upon private residentially zoned properties). The property owner would also have the discretion of selecting their own tenants and setting their own rents (subject to existing and fair housing laws).
 - b. It must be LOW COST and not burdened by typical discretionary development procedures or impact fees. Even if size restrictions or limitations are imposed, there must be a condition whereby development fees can be waived or drastically reduced. The small-scale nature of the additional units would also, in most cases, allow for the new units to be “tied into” the utility services of the

existing building, and also avoid any new or replacement parking space provisions.

- c. For organizations operating under a “use permit,” there must be a ministerial way to amend it to allow for the housing. Further, a policy amendment could also expand the permission beyond residential property with provisions that the housing be removed (or formally entitled) if the organization, or use that permitted such housing, ever changed. With many prefabricated and modular housing products available today, any such housing that had to be removed could be relocated and repurposed on another site – allowing investors to comfortably secure financing for such housing units.
- d. Low fiscal impact – enormous social benefit. SOFHI offers a way for lawmakers to positively and quickly impact housing supply, at no cost to state or local governments, while supplementing the efforts of the organizations who provide invaluable social services with a critical missing element: STABLE AND NATURALLY AFFORDABLE HOUSING.

VIII. POISED & READY: SOFHI is backed by a passionate team of housing professionals, spiritual leaders, and social service advocates who have created a financially viable development plan and naturally affordable housing solution. The SOFHI vision is complete with qualified organizations willing to place up to four homes, committed investors, and fabricators waiting to start production on an innovative housing product that can be delivered in as little as four months! All they need now is permission!