

Pasadena Congregational Land Overlay Zone

FACT SHEET



1. What is being proposed and why?

The Pasadena Planning Department is investigating the possibility of modifying zoning that would enable religious congregations to have affordable housing built on their land, responding to the barrier of finding sites for affordable housing. Making Housing and Community Happen is advocating for an overlay zone that would allow congregations in residential, commercial, mixed-use and public zones to build new housing, provided that 50% of units are affordable for lower-income households. To make projects feasible, densities that are somewhat higher than their surroundings but still contextually sensitive would be permitted. An overlay zone would more quickly and cost effectively bring jobs, community investment and affordable housing—all much need at this time.

2. Why are we proposing it at this time?

The city has done much, yet can do much more to house the 527 people experiencing homelessness in the 2020 count. In fact, the number of people who need housing is growing, and the pandemic is expected to increase homelessness by 20-45% this year. Allowing more sites to accommodate at least 40-50 housing units and a providing faster approval process will meet a very real human need. The opportunity is now with congregations offering to have additional housing on their excess land. This is urgent before outside investors seek out market rate uses causing more displacement and less community control.

3. Why is this only for religious congregations?

Affordable housing should be encouraged throughout the City, and congregations provide a unique opportunity for that to happen. This is a match made in heaven because their land is often vacant most of the week, with deferred maintenance on buildings they can't afford to fix and facilities often built for congregations much larger than what they have today. Furthermore, congregations, the longtime social "glue" for our neighborhoods, have a vested interest in continuing to serve the community. Downsizing and/or gaining a little extra income helps them stay vital, playing a significant role in our community. Historically, religious groups have built hospitals, schools and retirement communities, it is natural for them today to supply housing for the community.

4. Are there examples of how this development can be done?

There are plenty of recent examples of joint venture partnerships between congregations and developers. Wesley Village in Garden Grove is one successful example of 100% affordable senior and family housing involving Garden Grove United Methodist Church and Jamboree Housing. The church entered a 60-year ground lease turning 2.2 acres of parking space into housing and offices that provide services for both residents and the community.

5. Can this help the City meet state requirements for new housing?

Yes, the proposed overlay zone is one of the most neighborhood-sensitive ways in which the City can encourage new housing to meet the Regional Housing Needs Allocation (RHNA). To date, 17 churches have expressed interest in building affordable housing on their properties. If all of them built housing, we estimate that they could generate 1,177 housing units, a significant portion of the 4,399 very-low and low income units that the State requires Pasadena to plan for.



Marv's Place provides permanent supportive housing to 22 formerly homeless households on the corner of Union Street and Mar Vista Avenue.

6. Why not 100% affordable housing?

The funding that creates affordable housing comes with strings attached. For example, these conditions tied to funding can prohibit the developer from allocating units to aging clergy or members. While these units may not be restricted as affordable, they will most likely charge below market rents to individuals within the faith-based community. This is the case of many of the twelve congregations in the City that already own housing units. In other cases where housing is rented at market prices, the income received can help offset the cost of affordable units, lessening the amount of subsidy that government agencies need to provide and providing income for much-needed church repairs.

Questions? Contact:

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7. What if a congregation moves or closes?

Though most congregations want to strengthen their ongoing mission, there are a few who may be considering leaving affordable housing behind as their last act of service to the community. If that happens, covenants will ensure that the development remains affordable for many years to come.

8. If a church partners with an affordable housing developer, will it bring residents from outside of Pasadena?

Congregations that have affordable or homeless housing units built with the support or sponsorship of the City must give preference and priority to those who live and/or work in Pasadena, according to a policy revised March 11, 2016. First priority is given to those who reside and work in the city; second, to those that reside in the City; third, to those that work in the City; fourth, to those have been involuntarily displaced.

9. Would a project that combines market-rate and affordable housing affect congregations' taxes or 501(c)3 status?

If the church leases/sells a portion of its campus to a developer for the construction of mixed-income housing, the land not included in the development will remain as tax-exempt and it would not impact the church's 501(c)3 status. The taxes on the land designated for development will be the responsibility of the developer to pay, not the church. Additionally, affordable units will be eligible for property tax abatement.

10. Is there a way that an overlay zone could be used to game the system?

Some may be concerned that other property owners could sell their land to churches in order to facilitate affordable housing development. If this is a concern, the overlay zoning could be written so that only land owned by congregations on a specific date prior to the overlay zone passage (for instance, January 1, 2020) is included.

11. Can you provide examples of other zoning amendments to permit this?

Overlay zones are used in Pasadena for a variety of purposes. The City of San Diego amended its zoning code in November 2019 to allow the by-right construction of housing on church properties. In addition, in San Diego any church parking area is now allowed to be converted into housing without replacement parking. This was taken as a model for proposed state laws which would accomplish a similar objective in a more aggressive manner than this proposal.

12. Will churches make money off the construction of affordable housing?

Churches can receive compensation for ground leasing, joint venturing, or selling land for affordable housing development helping these long-term social institutions remain economically solvent in the current environment. However, the compensation they will receive is less than if they were to build a similar amount of market-rate housing.



Wesley Village in Garden Grove uses 2.2 acres of Garden Grove United Methodist Church's former parking lots and vacant land to develop 47 units of affordable family housing, 16 units of affordable senior housing, a community center, the Orange County Head Start Learning Center and offices for multiple local non-profits.

13. Why is it important to allow affordable housing "by-right"?

"By-right" means that a property owner has a right to build on their land. In this case, our proposal would give religious congregations the right to build housing that is at least 50% affordable at a contextually appropriate height and density. This matters because quality affordable housing developers know that applying for a discretionary approval in Pasadena takes at least one year, costs at least \$100,000 in consultant and City fees, and may ultimately be denied. They are hence reluctant to partner with congregations lacking appropriate zoning. By-right affordable housing projects still require engagement with the community to improve the design, parking, etc., but the congregation's right to build affordable housing would not be challenged.

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