

Hunger Network in Ohio



Chair Reynolds, Vice Chair Timken, and ranking member Craig,

My name is Deacon Nick Bates, and I serve as the director of the Hunger Network in Ohio – a statewide ecumenical ministry working to end hunger by addressing the root causes of poverty. As we know, access to SAFE, DECENT, and AFFORDABLE housing is a major barrier to economic security for our neighbors – forcing many Ohioans to go without food when housing costs get too high.

We are excited about SB 250, because it will expand pathways for faith communities to serve. Many church buildings have served the community with food pantries, AA meetings, childcare, weddings, funerals, and baptisms for generations. However, ministry must transition to meet the needs for today, and our congregations know that they do not need as much space. The median Christian Church size has fallen from 137 worshipping each week in 2000 to 65 in 2020. Research demonstrates that it costs \$7-10 per square foot on average to maintain aging church properties. It is not good stewardship to allow buildings to sit mostly empty and invest in them.

We believe transforming our existing worship communities into safe, decent, and affordable housing is a path that some congregations and other non-profit organizations will be called to – a way to steward their land into meeting the needs of their community.

As these congregations transform their property, the congregation knows the needs of the community better than we do in Columbus. In some places, yes single-family homes and owner-occupied structures will be developed. However, we shouldn't tie the hands of local faith leaders by offering incentives for one housing model over another. Some faith communities will be called to develop senior housing or multi-family housing.

Our recommendation is to open this tax credit program up for diverse types of housing development so that community leaders can meet the needs of the community directly and efficiently.

Thank you and I'd be happy to answer any questions.

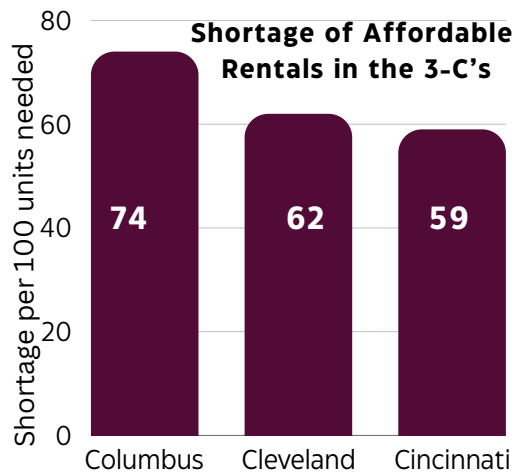
Please find attached to this testimony the Hunger Network's, *Reimagining Church Properties into Affordable Housing Report, 2024*



Reimagining Church Properties into Affordable Housing

Introduction

Ohio lacks safe, decent, and affordable housing while many faith communities have unused land and building space. There is an opportunity for faith communities to re-imagine ministry that could create more housing options and build loving communities.



In Ohio there is a **total shortage of 267,382 affordable housing units** for low-income renters. Because of the lack of affordable housing for low-income households, 70% of the most vulnerable individuals are spending more than half of their income on housing costs. This cost burden leads to the sacrificing of other necessities like food and healthcare to pay rent.

What is Affordable Housing?

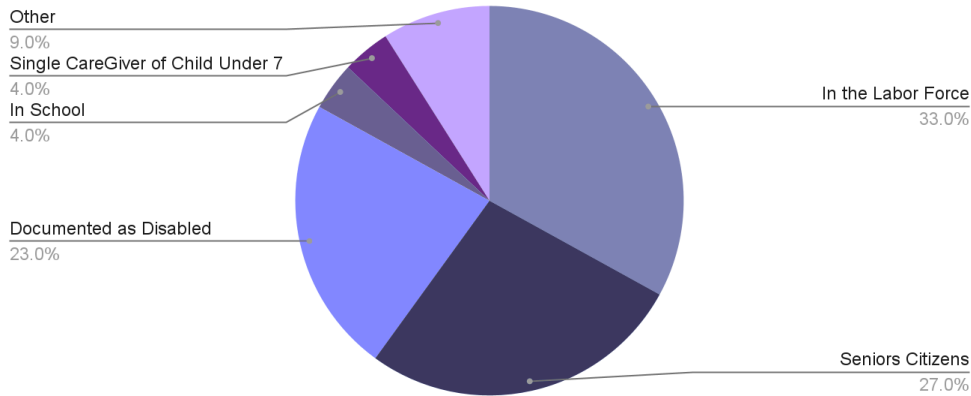
A housing unit is considered affordable if it costs no more than 30% of that person's income. In 2023, 20% of the families in Ohio made less than \$22,500 per year and were classified as low-income households. This can be compared to the median 20% of families in Ohio that made between \$43,600 and \$76,220 per year.

As is evidenced by the following chart, 60% of Ohio households should pay less than \$1,905 a month. Yet the median mortgage payment seen today is \$2,617. The reality is most low and middle income families are working.

Income Level of Household	Yearly Income	Monthly Income	Monthly Housing Cost at 30% of Income
Lowest 20% in Ohio	Less than \$22,500	Less than \$1,875	Less than \$562.50
Next 20% in Ohio	\$22,500 - \$43,600	\$1,875-\$3,633	\$562.50-1,090
Median 20% in Ohio	\$43,600 - \$76,200	\$3,633-\$6,350	\$1,090-\$1,905

Of those in Ohio who are considered extremely low-income, 33% are part of the labor force, 27% are senior citizens, and 23% have a documented disability.

Low-Income Renters in Ohio



Types of Affordable Housing

The term ‘affordable’ can be replaced by other descriptive words that can cause confusion or help to describe the precise population that new housing is intended to reach. These categories, are based off a households income compared to the area’s median income.

- Extremely low income (ELI) = 0-30% Area Median Income (AMI)
- Very Low Income (VLI)= 31-50% AMI
- Low income(LI)= 51-80% AMI
- Moderate Income = 81-100% AMI

Underused Church Buildings and Properties

The median church size of a Christian church has fallen by half since 2000. Additionally church closures outpace the start of new churches by 50%. Presently there is a mismatch between small faith communities and their large holdings of real estate made up of both land and buildings. It is estimated that it costs **\$7-\$10 per square foot per year to operate church properties**. Many congregations with big buildings and small crowds are already running into financial difficulty or will in the future.. For example, a church that has a 50,000 square foot facility that housed 500 members in the 1970’s but only has 30 elderly members today cannot afford the nearly \$17,000 annual upkeep per attendee. The key paradigm shift for the church is to separate the land upkeep needs from the desire for the church to remain a faith community participating in ministry.

Year	Median Church Size
2000	137
2020	65

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In the next fifty years, it is estimated that up to half of the churches in the United States will have to repurpose part or all their church buildings and properties. Many churches already offer pre-schools, childcare, tutoring programs, English as a second language classes, food pantries, clothes closets, 12-step programs, and health clinics in their church. Faith communities must consider how to be good stewards of the property and buildings as ministry changes over time so that the Church can continue to serve the community.

It is estimated that urban churches already provide more than \$140,000 in goods and services annually to non-church related human services organizations, but many of these ministries are extensions of a vibrant worshipping community on Sunday mornings. As our worshipping communities change, people of faith should identify long-term plans to continue to serve the community. While facing the decline in church membership, congregations must keep in mind their mission and vision as a church. ***Many buildings are one leaky roof or broken furnace away from closure.*** Houses of worship have a strong culture of community mission and a commitment to social justice. Our neighborhoods will miss out on the missional impact of the church if our faith communities do not partner in redevelopment and repurposing of our space. Many houses of worship, because of their design and their significant amount of property, are well configured for residential, community centers, offices, and retail space that can bring life to marginalized communities.

Communities Use Faith Spaces already

There are many success stories of churches, both rural and urban, who have repurposed part or all of their property. *What is central is for faith communities to talk with the community about new ideas and listen to how the community is called to love and serve.* At-risk populations have been impacted by the reimagining of a church space into a community center, recreational area, health care space, community gardens, and in some cases housing.

Community Services: There are note worthy examples of faith communities adapting their space to serve the community. For example, A rural Alabama church partnered with Rooted Good to start an economic development zone in a former church building that will benefit and bring life to the whole community. Linwood Baptist Church which is 35 miles from Kansas City had only three members left in their congregation and was on the verge of closing. They employed the model of letting the community use their building to bring life to the space. The church forged new friendships with the entities using their space to maximize the missional impact. The church now has 115 people in worship service, and the church property is used seven days a week instead of just for worship activities. The Struthers United Methodist Church in Struthers, Ohio found the best thing for them was to move from their property to a smaller worship space and let their former church building be used for community ministries.

Housing: Some of the most successful church property transformations have seen mixed use developments that have addressed housing needs and injected life into the local economy by providing spaces for retail development. One example is St. Peter’s United Church of Christ in Louisville, Kentucky where a dwindling congregation of a primarily German descent population joined with their Black neighbors to revitalize both the church and the neighborhood using the church’s land. They now share space with a more ethnically diverse congregation, have affordable housing, social services, and a growing economy that is moving towards sustaining a once blighted community. St. Peter’s used the UCC’s Church Building and Loan Fund to initiate the development of the community, so the church’s denominational assets assisted in the project.

Emory Fellowship in Washington DC, which also used a community-based approach seeking to be the catalyst to help community members reach their full potential. The church property now offers space for arts, culture, and music, as well as state-of-the-art affordable housing, a gymnasium, classrooms, a food pantry, immigration clinics and small business services. They offer a commercial restaurant staffed by citizens of the community, a community kitchen, youth leadership academy, a reentry program, and health

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clinic. What was once a church building on a large piece of land is now at the center of a community. Their efforts have moved beyond just building affordable housing to building community by offering space for job training and the inclusion of retail space. Affordable housing development is more complicated than many other community service outreach efforts because it requires:

- Complex Financial investments
- Detailed planning
- Legal Considerations
- Permanent sacrifice of physical space.

Throughout Ohio, the lack of safe, decent, and affordable housing is a top barrier for many neighbors. Utilizing our physical spaces to meet this need could be a lasting legacy that will allow the memories of sacred spaces to live on in service to the communities that have been served by the worshipping community for generations.

The Obstacles

Before beginning any project, a faith community should pray and consider how the Spirit is guiding them to serve their community. There are many obstacles and red tape to housing development, but if the spirit is driving, there are many experts in

Ohio that can help navigate a pathway forward who can accompany a congregation into achieving its goal.

TOP OBSTACLES:

ZONING
NIMBY
DENOMINATIONS
FINANCIAL
PROPERTY
OWNERSHIP

Zoning: Zoning policies are local laws designed to shape the face of a community. Many cities in Ohio have zoning laws that were designed to segregate based on race and economic class that prevent housing density, or multi-family units built. Similar codes around the use of property (commercial vs. residential) or historical

considerations can erect roadblocks to development. So even if the local government is in favor of the building of affordable housing, they are restricted by their own codes and laws.

NIMBY: Churches may face opposition from the neighborhood in which they are located because the neighbors fear multifamily units, affordable housing, and the people who would live in those homes. Some neighborhoods oppose mixed-use development professing fears of noise, traffic, and public safety.

Denominational Leadership: Denominational or pastoral leadership of the church may oppose a church adopting a smaller footprint or closing. Closing a church, to some, can be seen as lessening the gospel power or a loss to the institution. Closing a congregation without a plan is a failure, but a Holy Closure that allows new life to emerge is a successful and lasting ministry.

Financial: One of the biggest challenges facing churches who seek to use their property for affordable housing or community development is financial. There are many tools available to churches and developers that seek to build affordable housing. In conversations with appropriate developers, financial plans can be developed based on the target audience of the housing.

- State and Federal Low-Income Housing Tax Credits for the construction of affordable rentals. Developers can claim tax credits against state taxable liabilities over a 10-year Credit Period. These credits are then exchanged for equity to help construct or preserve affordable rental housing.
- Some Church Denominations offer low-cost loans and grant programs.
- Congregations can apply for Grants from philanthropic foundations.
- Churches may be able to access Local, City, Regional, and State housing trust funds.

Ownership: If a property is sold outright, the congregation loses control over its future. However congregations should discuss whether to set up a community Development Corporation, sell it to a partner, or other legal options. However a congregation proceeds, they should guarantee that their plans are in writing and clearly agreed to. Otherwise, it is very easy for others looking to make a profit to take advantage of well-intentioned people. State policies should be adopted to support faith communities making these legal considerations and decisions.

Other Considerations: The Congregation should consider who they are called to serve with new housing. Young families? Seniors? Those struggling with addiction? Mixed income? There are many different ways to structure

housing development. There are questions that the church must address when they assess the impact of converting their property to affordable housing:

- Is the neighborhood walkable?
- Is there accessibility to transportation?
- Is there access to food and other retail?
- Will the project negatively impact the cost of living to those in the neighborhood?
- Are there other necessary community services nearby or built into the project? (Childcare, job training, education, etc?)

In Conclusion

Taking on a church property reimagining project can seem overwhelming, but the reward for repurposing our space to better serve the community is a legacy worth the work. It is a hard reality to acknowledge that the sacred space of your parents, grandparents and great-grandparents weddings may not be a worshipping community for your grandchildren. It is hard to acknowledge that your child may be the last baptism in the font. However, when we plan now, we can repurpose these sacred spaces into something new that continues to serve in a new way. Stained glass, and historic architecture can be amplified and used in the redevelopment to honor the legacy of the faith community that has been in this space. While these projects will require new partnerships, faith communities should be intentional about how they form partnerships with corporations, banks, and developers to guarantee that land and buildings can be re-purposed to truly serve the community and not the profit of a few investors. Faith communities should collaborate together when possible to strengthen your voice and impact.

Ohio needs policy development to support more affordable housing including the expansion of the Ohio Housing Trust Fund as well as well investments into holistic community development that centers green space, food security, education, and healthcare. Ohio should also adopt policies that provide dollars to local community projects to modernize zoning laws and reduce barriers on these projects. Housing investments alone will not solve our affordable housing crisis. ew must also build communities that people want to live in with parks, healthcare, employment, and of course grocery stores. Local, state, and federal funding structures and development plans should focus on building holistic communities in conjunction with affordable housing.

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