

Affordable Housing on Underutilized Lands

A Homeless to Housed Initiative
In Support of the City of San José

JULY 2024



© 2024 by the Urban Land Institute

Published in the United States of America.

All rights reserved. Reproduction or use of the whole or any part of the contents without attribution or written permission of the copyright holder is prohibited.

Unless otherwise noted, all photographs and images are provided by ULI staff or panelists



Find this report and hundreds of others on Knowledge Finder,

the leading global resource of trends and best practices in real estate development and financing. Explore an ever-expanding library and find recommended content related to your interests, including reading lists, case studies, videos and webinars, books, and more.

knowledge.uli.org

Contents

4	About the Urban Land Institute (ULI)
5	Project Team
6	Executive Summary
9	Background
12	Workshop 1: Level Setting
15	Workshop 2: Charrette
21	Navigating the Development Process: Case Studies and Predevelopment
24	Recommended Strategies for Implementation
27	Appendices

About the Urban Land Institute (ULI)

The Urban Land Institute is a global, member-driven organization comprising more than 48,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide. ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific region, with members in 83 countries.

ULI San Francisco has more than 2,100 members in the San Francisco District Council, which includes the nine-county San Francisco Bay Area. ULI's extraordinary impact on land use decision-making is based on its members' sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technological advancements, and environmental concerns. Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. Drawing on its members' work, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org, sf.uli.org, and uli.org/homelessness.

ULI Terwilliger Center for Housing

The goal of the **ULI Terwilliger Center for Housing** is to advance best practices in residential development and public policy and to support ULI members and local communities in creating and sustaining a full spectrum of housing opportunities, particularly for low- and moderate-income households.

Established in 2007 with a gift from longtime member and former ULI chairman J. Ronald Terwilliger, the center integrates ULI's wide-ranging housing activities into a program of work with three objectives: to catalyze the production of housing, provide thought leadership on the housing industry, and inspire a broader commitment to housing. Terwilliger Center activities include the development of practical tools to help developers of affordable housing, engagement with members and housing industry leaders, research and publications, a housing awards program, and an annual housing conference.

ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This initiative began through the 2022 research report *Homeless to Housed: The ULI Perspective Based on Actual Case Studies*. Driven by the generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report and companion case studies at uli.org/homelessness.

Project Team

Urban Land Institute (ULI)

Natalie Sandoval, Joy Woo, Lola Motley,
William Herbig



Local Initiatives Support Corporation (LISC) Bay Area

Elizabeth Wampler, Bryant Duong



Silicon Valley at Home (SV@Home)

Regina Celestin Williams, Josh Ishimatsu



David Baker Architects (DBA)

Daniel Simons, FAIA; Sarah Ahmadzai, AIA;
Meghan McAllister, AIA



City of San José

Rosalynn Hughey, Bianca Madrid,
Stephanie Jimenez, Shelsy Bass



This project was made possible through a grant from the ULI Homeless to Housed Initiative and supplemented by ULI San Francisco, in support of the City of San José. We are grateful for this support and the additional support of our volunteer Ad Hoc Leadership Committee:

- **Xiomara Cisneros**, Chan Zuckerberg Initiative
- **Rebecca Foster**, Housing Accelerator Fund
- **Lindsay Haddix**, East Bay Housing Organizations
- **Jody Ketcheside**, Santa Clara County Housing Authority
- **Jan Lindenthal-Cox**, Housing Accelerator Fund
- **Linda Mandolini**, Eden Housing
- **Jared Nolan**, Eden Housing
- **Preston Prince**, Santa Clara County Housing Authority
- **Dan Schoenholz**, City of Fremont
- **Jay Sholl**, CBRE
- **April Talley**, City of San Rafael

Thank you to the following speakers who joined our workshops and shared their expertise and time, and to the many participants who attended the workshops:

- **Dr. Gerald L. Agee, Sr.**, Friendship Christian Center
- **Billie J. Simmons**, Agnes Memorial Church of God In Christ
- **Landis Graden**, DCG Strategies
- **Abby Goldware Potluri**, MidPen Housing
- **Sarah Ahmadzai**, AIA, David Baker Architects
- **Paul Simpson**, LifeMoves
- **Taryn Sandulyak**, Firm Foundation Community Housing

Executive Summary

The Urban Land Institute's (ULI) Homeless to Housed (H2H) initiative focuses on identifying best practices and effective solutions for addressing the needs of unhoused people through research, local engagement, and awareness-building activities. This project aimed to identify the greatest opportunity for accelerating the production of deeply affordable housing for individuals and families experiencing homelessness.

Homelessness remains a critical issue in the City of San José and in Santa Clara County, with a 2023 census identifying 6,266 homeless individuals, 70% of whom are unsheltered.

The lack of affordable housing, economic inequality, and systemic issues such as racism contribute to this crisis. The H2H initiative seeks to create immediate and implementable actions to address these challenges.

In the City of San Jose, like many other cities, churches, places of worship and other non-profit organizations have a mission/desire to help solve the homelessness crisis. Likewise, many of these entities own land that is underutilized and can be developed for emergency interim and permanent affordable housing.

ULI San Francisco (ULI SF) seized on the opportunity to align on three factors:

- 1. available underutilized land;**
- 2. motivated and mission-aligned property owners; and**
- 3. innovative new public policy that reduces barriers to development.**

To explore how best to align these factors to unleash more deeply affordable units for those most in need, ULI SF convened a volunteer Ad Hoc Leadership Committee to help design a program. The program goal was to uncover the challenges and opportunities associated with leveraging these underutilized assets for development of affordable housing. ULI SF issued a Request for Proposal (RFP) to solicit consultant support.

ULI SF, through a H2H grant and additional ULI SF funding, contracted with Silicon Valley at Home (SV@Home), David Baker Architects (DBA), and the Local Initiatives Support Corporation (LISC) Bay Area, in support of the City of San José, to facilitate two workshops and document workshop findings in this report. The objectives were to help build capacity of homeless service providers and other non-profit organizations, so they can partner with organizations with underutilized lands—including places of worship and faith-based organizations and affordable housing developers—to design and construct emergency interim and permanent affordable housing projects on their sites.

These workshops highlighted the unique advantages of Senate Bill (SB) 4 and the need for partnerships among affordable housing developers, local governments, and various non-profit and faith-based institutions. The project sought to build awareness around the opportunities afforded by the passage of SB 4 and availability of land to generate pathways to provide for more deeply affordable housing not only in San José but throughout the Bay Area and the entire State of California.



The first workshop in April 2024 convened faith leaders, affordable housing developers, and community organizers, creating a platform for sharing experiences and best practices. The second workshop in May 2024, was a dynamic charrette session involving interactive prototyping exercises to explore site-specific strategies for affordable housing development. Participants successfully identified critical edges, balanced parking needs, and maximized housing potential while integrating church programs.

The workshops underscored the importance of collaboration, strategic partnerships, and the need to understand the technical aspects of affordable housing development. To build upon the success of the ULI H2H workshops, the consultant team outlines recommendations for faith-based organizations, affordable housing developers and service providers, City of San José/County of Santa Clara staff, philanthropic and funding partners, and intermediaries and technical-assistance providers to support the goal of increasing interim and permanent affordable housing solutions.

Following the Workshop Series, the following has been determined by the consultant team.

Faith-based organizations can:

1. build internal capacity to manage housing projects
2. consider hiring a development consultant or accessing a technical assistance program
3. conduct due diligence on potential development partners
4. negotiate equitable Joint Venture Agreements, securing agreements reflecting the organization's priorities
5. clearly outline roles and responsibilities with their development partner
6. understand SB 4 provisions and utilize SB 4 to streamline the approval process for housing projects.

Affordable housing developers and service providers can:

1. build relationships with faith communities to explore potential development partnerships
2. utilize SB 4 to streamline the approval process for housing projects.

The City of San José/ County of Santa Clara can:

1. encourage collaboration among faith organizations, developers, and service providers
2. consider making available a list of developers/ operators of permanent affordable and interim housing developments that work in San José.

Philanthropic and funding partners can:

1. make small grants (i.e., in the range of \$25,000 to \$75,000) to faith-based organizations for early predevelopment costs
2. sponsor additional workshops for faith-based organizations.

Intermediaries and technical assistance providers can:

1. expand and consolidate technical resources into a one-stop toolkit to support faith-based organizations and other stakeholders looking to partner with faith-based organizations
2. create peer support opportunities.

Background

ULI's H2H initiative aims to spark conversations regarding the role of the real estate community and implement strategies in addressing homelessness. The initiative focuses on identifying best practices and effective solutions for addressing the needs of the unhoused through research, technical assistance, and awareness-building activities. ULI SF received funding from the H2H Initiative and the Attainable Housing for All Campaign to support the City of San José to develop immediate implementable actions to address homelessness in the city.

In the City of San Jose, like many other cities, churches, places of worship and other non-profit organizations have a mission/desire to help solve the homelessness crisis. Likewise, many of these entities own land that is underutilized and can be developed for emergency interim and permanent affordable housing.

The passage of SB 4 "Affordable Housing on Faith Lands Act" in 2023 created an opportunity to invest in partnerships between faith-based organizations, homeless service providers, affordable housing developers, and public sector staff. SB 4 streamlines the approval process for 100% affordable housing projects on land that was owned by an independent institution of higher education or religious institution on or before January 1, 2024, by providing a ministerial approval process. In a ministerial approval process, decisions involve only the use of fixed or objective standards. Government agencies cannot use subjective judgment in deciding whether or how the project should be carried out. Ministerial projects are not subject to environmental review under the California Environmental Quality Act (CEQA) or conditional use authorization or other similar discretionary review or entitlements.

Faith institutions, homeless service providers and advocates, affordable housing developers, and public sector staff have a shared desire to help address homelessness in San José. Together, they can leverage land ownership, development capacity, and funding

to develop new emergency interim and permanent affordable housing.

To strategize and develop a project plan, ULI SF convened a volunteer Ad Hoc Leadership Committee of public and private sector housing leaders. This committee supported ULI SF throughout this project. ULI SF then released a Request for Proposal and selected a team of consultants (DBA, SV@Home, and LISC Bay Area) to organize two workshops to connect stakeholders and create opportunities to construct emergency interim and permanent affordable housing projects, with the culmination of their efforts being this report. The next two sections of this report describe the approach and results from both workshops.

Context in the City of San José and Santa Clara County

Homelessness, as well as the lack of available affordable housing for extremely low-income populations, continues to be a pressing issue for the City of San José and the County of Santa Clara. According to the U.S. Department of Housing and Urban Development's 2022 Annual Homeless Assessment Report, among the 48 Major City Continuums of Care, Santa Clara County has:

1. **the fourth largest homeless population**
2. **the largest unsheltered homeless population**
3. **the fourth largest veteran homeless population**
4. **the third largest unaccompanied homeless youth (under 25) population**
5. **the largest population of unaccompanied homeless youth who are unsheltered.**

The February 2023 homeless census and survey counted 6,266 persons experiencing homelessness in San José. Of the 6,266 people counted, 4,386—or 70%—were unsheltered. Thus, nearly three-quarters of San José's homeless population sleeps on the street, in parks, tents, encampments, vehicles, abandoned properties, and/or bus and train stations.

Continuum of Housing



This graphic shows the range of housing options available in a community—from services for people living without shelter on one end to permanent market-rate housing on the other.

(Graphic courtesy of Jay Sholl and Molly McCabe)

According to the National Alliance to End Homelessness, federal and state government policies and disinvestment over decades created the homeless and housing crisis America faces today. In Santa Clara County, multiple systemic factors push residents into homelessness every day. These factors include a lack of affordable housing, rising economic inequality, underinvestment in programs serving the most vulnerable, and systemic and structural racism. Individual factors, such as addiction or mental health, intersect with homelessness but are not a cause. The single greatest systemic cause of homelessness is the lack of affordable housing. It is estimated that in Santa Clara County, there are only 32 affordable and available rental units for every 100 extremely low-income households.

An end to homelessness requires that every community have a systemic response in place that ensures homelessness is prevented or is a rare, brief, and non-recurring experience.

In 2020, government entities across Santa Clara County came together with people who have experienced homelessness, business and labor leaders, non-profit organizations and others to explore solutions and strategies to address homelessness. This resulted in the adoption of the Community Plan to End Homelessness 2020–2025 (CPTEH).¹ The CPTEH is built on three core strategies:

1. addressing the root causes of homelessness through system and policy change
2. expanding homelessness prevention and housing programs to meet the need
3. improving the quality of life for unsheltered individuals and creating healthy neighborhoods for all.

1. <https://housingtoolkit.sccgov.org/take-action/santa-clara-county-community-plan-end-homelessness-2020-2025>

In January 2024, San José City Council approved the City's Implementation Plan to the CPTEH. The Implementation Plan helps create accountability and transparency by establishing City-specific actions and outcomes that can be tracked, measured, and push the City to continuous improvement and learning.

The aligned City vision is built around the three strategies of the CPTEH and includes four specific principles:

- 1. End Suffering on the Street:** *Permanent and Temporary Homes and Safe Alternatives.*
- 2. Share and Protect Public Spaces:** *Embrace natural resources such as waterways while responsibly sharing public space. Balance providing access to spaces such as waterways, trails, parks and public plazas for all while maintaining clean, welcoming places.*
- 3. Expect Cleanliness:** *Hold each other accountable for having a clean community.*
- 4. Create Opportunity:** *Expand inclusive economic opportunities for upward mobility and security.*

The City currently operates six interim housing communities that include 385 units, providing temporary accommodations for well over 1,000 people each year. Five new interim housing communities are planned/under construction that will add 675 units. The City also operates a supportive parking site, and an additional site is planned. Together, these sites will accommodate nearly 200 recreational and standard vehicles. Also, last fiscal year, the City financed over 1,000 units of new and preserved affordable housing. **However, more work still needs to be done to prevent residents from becoming homeless and to assist individuals experiencing homelessness and move them into permanent housing.** Currently, the rate of people becoming unhoused exceeds the number exiting homelessness. For every 1 person who exits homelessness, another 1.7 are becoming unhoused.

Workshop 1: Level Setting

Held on April 18, 2024, Workshop 1 aimed to inspire and inform participants through panel discussions, presentations, and networking opportunities. The workshop brought together more than 50 key stakeholders, including faith leaders, affordable housing developers, community organizers, City of San José staff, and other supportive stakeholders. Presenters shared examples and lessons learned from real projects developed through partnerships between faith-based organizations, affordable housing developers, interim housing developers, and homelessness service providers.

Panel 1

Workshop 1 opened with a panel featuring stories from faith leaders who have partnered with developers and have active affordable housing projects underway: Pastor Gerald Agee with Friendship Christian Center and Billie Simmons with Agnes Memorial Church of God in Christ.

Pastor Agee discussed the Friendship Senior Housing Project, emphasizing perseverance and collaboration since before the COVID pandemic, resulting in the development of 50 senior housing units. He shared the numerous challenges faced, such as securing funding and navigating bureaucratic hurdles, while highlighting the immense rewards, including the sense of stability and support the project will bring senior residents. Pastor Agee discussed the importance of negotiating an equitable joint venture agreement with the developer partner to ensure the church's needs and priorities are understood and well-represented in the final agreement. For Friendship Christian Center and Pastor Agee, negotiating a ground lease between the church and the developer was needed, rather than selling the property outright. Pastor Agee's story underscored the significance of having a dedicated team and of the faith-based organizations' vital role in providing compassionate, effective housing solutions.



Rosalynn Hughey, Deputy City Manager, welcomes the group of 50+ participants from a variety of backgrounds and specialties.

Billie Simmons discussed her patience and steadfastness in working with Related California to build 60 units of senior housing. She described the initial overwhelming nature of the application process and how crucial capacity building support was to helping her in overcoming these obstacles. Billie emphasized the importance of understanding the complex terminology and procedures associated with affordable housing development and how this knowledge was pivotal in moving the project forward successfully. Her experience showcased the power of support, knowledge, and faith in achieving significant housing outcomes.

Panel 2

A second panel introduced workshop participants to critical elements of leveraging real estate for housing solutions, in particular: site feasibility, organization readiness, and joint-venture partnerships. Speakers included Landis Graden with DCG Strategies, Abby Goldware Potluri with MidPen Housing, Paul Simpson with LifeMoves, and Sarah Ahmadzai, AIA, with David Baker Architects. Some highlights from the panel discussion include:



Workshop 1 Moderator and Panelists (from left to right): Josh Ishimatsu with SV@Home, Landis Graden with DCG Strategies, Abby Goldware Potluri with MidPen Housing, and Sarah Ahmadzai, AIA, with David Baker Architects.

Landis Graden discussed the importance of joint venture partnerships for faith-based organizations considering affordable housing, and outlined a few critical considerations faith-based organizations should ask when considering development partners. These include:

- 1. creating clear and consistent means of communication between partners** (for example: how often you will meet, who is attending regular meetings, who is empowered to make decisions)
- 2. clearly defining the roles for the faith organizations and roles for the developer** (for example: who is applying for predevelopment, construction, and permanent funding and financing; who is liable to repay any loans taken on in order to support project costs),
- 3. determining what expectations faith organizations have before seeking to partner with a developer** (for example, does the faith organization want to maintain ownership of the land through a long-term ground lease, does the faith organization want to keep their current structure). **By considering these**

and other questions up front, faith-organizations can better lay the groundwork for a successful partnership with a developer.

Abby Goldware Potluri highlighted the evaluation factors for development opportunities, such as the number of developable units and proximity to amenities. She also emphasized the importance of understanding prospective partners' internal decision-making process. Abby shared practical advice on how faith-based organizations can assess potential development opportunities and the key elements to consider to ensure project feasibility and success. Her insights included assessing financial viability, regulatory compliance, and community impact, ensuring that every development aspect aligns with the organization's mission and practical needs.

Paul Simpson focused on site feasibility for interim housing, discussing factors such as bed capacity and proximity to transit services. He suggested that volunteers from faith-based organizations can play

a helpful role in providing supportive services to residents, and discussed the importance of having resident services on-site to serve as mediators with property management. Paul also highlighted the elements needed to evaluate sites for interim shelters, including accessibility, safety, and the ability to integrate supportive services that are crucial for the success of interim housing solutions.

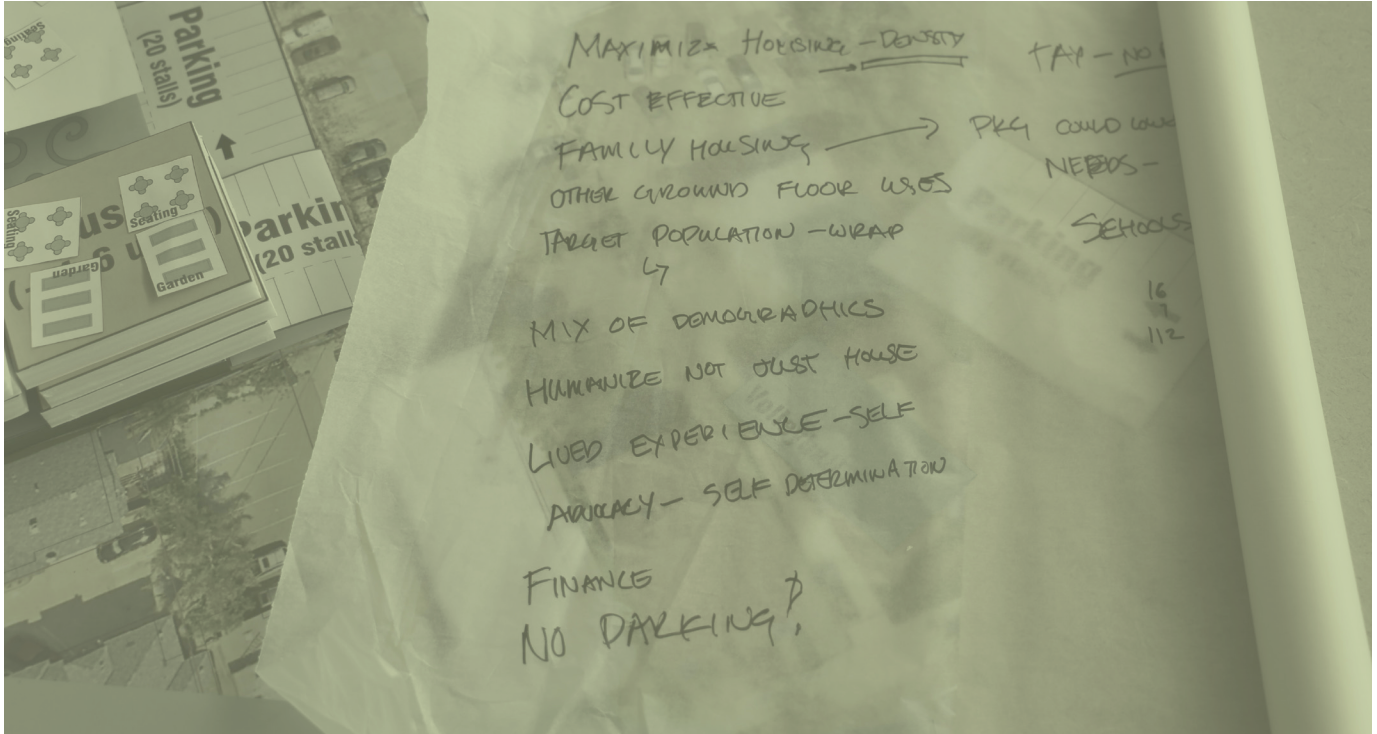
Sarah Ahmadzai, AIA, addressed design-related considerations, such as space needs, relationship to existing buildings, and compliance with design standards. She provided detailed insights into the architectural planning process and the importance of designing spaces that are functional, welcoming, and conducive to the well-being of residents. Sarah's presentation underscored the importance of thoughtful design in creating successful housing projects. She highlighted the necessity of balancing aesthetic appeal with practicality, ensuring that the housing solutions meet regulatory standards and enhance residents' quality of life.

Participant takeaways

At the end of Workshop 1, participants were invited to note key learnings they were taking away from the panels. Here are some themes that emerged from the participants who completed this exercise:

- **Generational Challenge:** Participants recognized homelessness as a critical, generational issue requiring urgent action.
- **Practical Impact:** Attendees appreciated practical advice and real-world examples, highlighting their dedication to addressing homelessness.
- **Networking Opportunities:** The workshop facilitated valuable networking, enabling participants to explore potential collaborations.
- **Focus on Community and Human Rights:** Homelessness was addressed as a matter of justice and human rights, focusing on dignity and community well-being.
- **Specific Challenges and Objectives:** Feedback highlighted the challenges inherent in working with unhoused families, youth, and individuals with complex needs and the need for tailored approaches.

Workshop 2: Charrette



Held on May 23, 2024, Workshop 2 focused on the design and practical trade-offs that should be considered in affordable housing site design, such as increasing housing density while managing costs associated with added height, and balancing the need for parking and amenities within a limited space.

More than 40 participants engaged in an interactive prototyping exercise—or charrette—to examine how a parcel of land might accommodate permanent affordable housing. Five teams were formed, each representing a diverse mix of expertise, such as faith-based organizations, service providers, developers, consultants, lenders, architects, and City staff. Outreach in preparation for the workshop included inviting specific subject-area experts who could share real experiences and diverse perspectives. This outreach resulted in a roster of participants who engaged in rich, well-rounded discussion and exchange of ideas and provided a valuable networking opportunity for future partnerships.

The Workshop 2 charrette addressed two San José sites, both currently owned by faith-based organizations that are interested in building housing. Constraints and goals for each site are listed on the following pages.

“The charrette exercise gave me great insight into the challenges of creating housing solutions that serve their communities well.”

—Workshop Participant



Google Earth/ULI

Description

- 0.9-acre lot adjacent to San José State University
- St. Paul's has a diverse and welcoming congregation that primarily meets on Sundays.
- It sees itself as "the community's living room" and would like to revive connections with San José State University (SJSU).
- The building suffered a two-alarm arson fire in 2022.
- Teams assumed the existing church would be torn down and rebuilt.

Program

- 9,600 SF for sanctuary and community space
- Minimum 60 units of housing
- Minimum 3,400 SF residential community spaces / offices
- 15 parking stalls for the church
- No parking minimum for the housing (up to teams to decide)
- Outdoor community spaces (no minimum, but a variety of outdoor spaces provided in kit-of-parts)



Google Earth/U/LI

Description

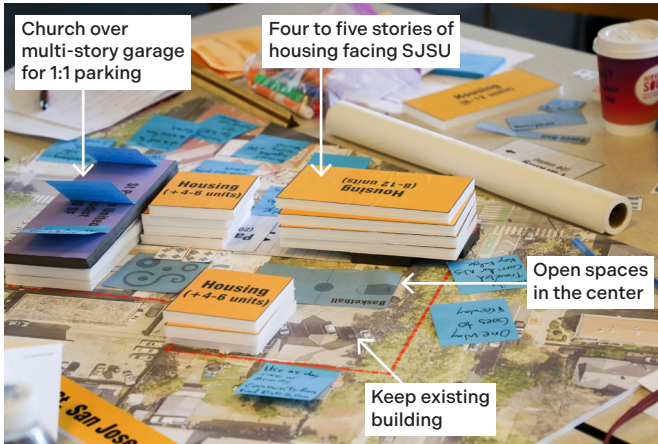
- 0.7-acre lot adjacent to San José City Hall
- The current building is shared between Urban Sanctuary, a progressive spiritual community rooted in the Christian tradition, and Recovery Café, a community space and kitchen for those traumatized by addiction, homelessness, and mental-health challenges.
- Teams assumed the existing building would be torn down and rebuilt.

Program

- 5,000 SF for Urban Sanctuary
- 6,000 SF for Recovery Café
- Minimum 60 units of housing
- Minimum 3,400 SF residential community spaces / offices
- 10 parking spaces for the church
- No parking minimum for the housing (up to teams to decide)
- Outdoor community spaces (no minimum, but a variety of outdoor spaces provided in kit-of-parts)

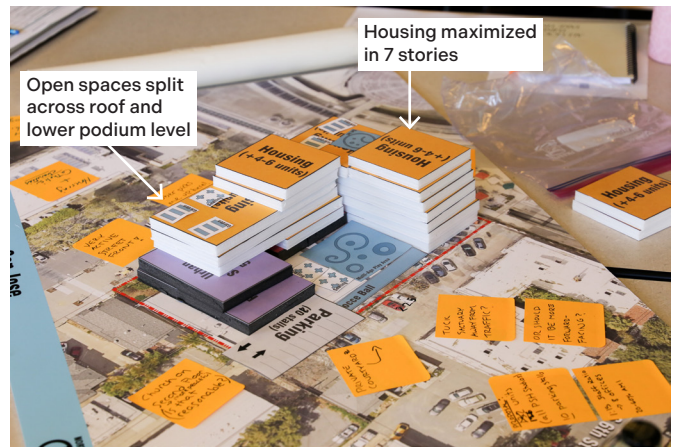
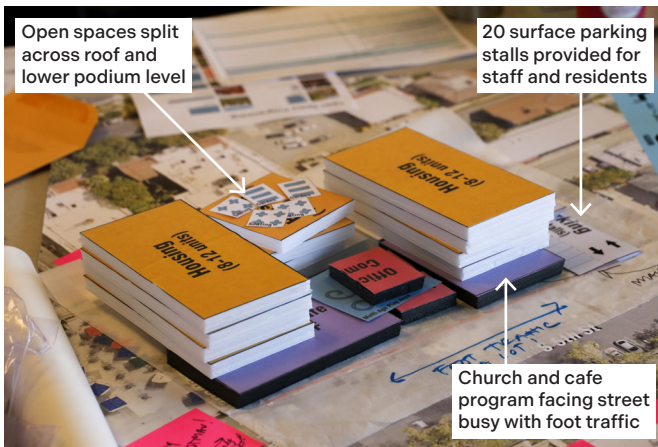
SITE 1

St. Paul's United Methodist Church (405 S. 10th Street, San José)



SITE 2

Urban Sanctuary and Recovery Café (80 S. 5th Street, San José)



While the results varied across groups, common ideas were expressed, as shown in these images.

“They did not have a class on [housing development] in seminary. It’s a whole new language. I now speak ‘housing’—I’m not fluent, but I’m getting there.”

— Reverend Penny Nixon

The charrette took the form of a design game: All groups began with a board printed with a large aerial view showing the study site and surrounding context. Teams were provided with at-scale building blocks that represented housing, parking, lobby and common areas, open space, and church uses. Teams were tasked with determining what type of housing to provide—such as affordable housing catered to families, seniors, transitional-aged youth, or formerly homeless residents—and how the units and other program elements would be organized on the site. Each team was guided by a facilitator and worked together to place their blocks, discussing trade-offs and other considerations. Then, half of the group rotated to another table to learn from and examine a different proposed solution, before returning to their original group with the opportunity to make final adjustments to their site plan.

The project team noted these observations from the group exercise:

- **Site-Specific Strategies:** Teams identified critical edges and adjacencies. They discussed how both vehicles and pedestrians would approach the site and how the new buildings would relate to the surrounding buildings. Most teams recognized the importance of any new construction integrating into and enhancing the neighborhood fabric and character: They anchored their designs with strategic placement of building entries, church program elements, or open space that could activate the street.

- **Balancing Parking:** Discussions revealed the complexities of balancing parking needs with other site uses. Participants in property management shared experiences with resident “dissatisfaction over time” in buildings without sufficient parking. Teams navigated how to balance sacrificing parking for other uses, like expanded shared outdoor spaces and more housing.
- **Maximizing Housing:** All teams were asked to place the equivalent of a minimum of 60 units of housing, but all teams exceeded this minimum. The configuration of the housing varied from team to team. Wary of triggering the cost impacts caused by exceeding the limits of wood framing (a height limit that was explained as part of the charrette), most teams kept their proposals below five stories. One participant mentioned multiple times how the exercise helped her to visualize density and how she planned to take this exercise back to her congregation.
- **Church Program Integration:** Teams debated whether the church program should be standalone or integrated with the housing, with consideration for access and adjacencies. Flexible, shared use of parking and open spaces—like community gardens and barbecue areas—seemed to resonate as a beneficial synergy between the two uses.
- **Program and Financial Feasibility:** Many teams were interested in permanent supportive housing (PSH) for formerly homeless individuals. A few experts from the financing side shared that the City of San José has a limited number of vouchers available for PSH, advising that if a team were planning for 80+ units, it would be more realistic to mix PSH with another housing type. Other teams were curious about housing for transitional age youth (TAY)—young adults aged 18 to 24 years, particularly those currently or formerly in the foster care or probation systems—and discussed the special design considerations for this population.



After the charrette, participants completed a self-assessment and action plan to identify the next steps they could take to support housing solutions. The self-assessment tool is included in the Appendices and can be used by any organization interested in assessing their organizational readiness to engage in affordable housing.

Workshop 2 concluded with a presentation and discussion by Taryn Sandulyak of Firm Foundation Community Housing focused on what it takes to get housing projects over the finish line. The presentation highlighted several project examples throughout Alameda County. The first example was an overview of the six “tiny homes” built at FirstPres Hayward, emphasizing the project’s community engagement process. Two current projects—Bethel Village Community in San Leandro (a collaboration with Bethel Community Presbyterian Church, HomeAid Northern California, and First Presbyterian Church of Hayward), and New Beginnings Community (in partnership with St. James AME Zion Church of San Mateo) offered insight into the development process for transitional housing and a smaller scale

of development than the examples shared during Workshop 1. Taryn also provided an overview of SB 4, and how this legislation allowed streamlined approvals for affordable housing on land owned by faith-based organizations (see Appendices for more details).

Navigating the Development Process: Case Studies and Predevelopment

Development of interim and permanent affordable housing can be a long and winding journey. Faith organizations can use the stages outlined below to understand the process of predevelopment (before construction begins), the roles they can undertake, and decisions they may need to make during each stage.

Predevelopment stages

Discernment and Decision-Making: To successfully develop an affordable housing project, faith-based organizations need to be sure they are ready for the heavy lift and time it will take to go from concept to construction. Faith organizations do not need to know and understand every detail about affordable housing development in order to make this commitment, but they should take this decision seriously and move through a decision-making process that aligns with their existing organizational process. (For some, this may include an internal discernment process to reach consensus within the congregation; for others, this may mean a vote of the Board of Directors.)

Key outcomes for faith organizations in this stage include appointing a point person or persons to be the lead project manager for further exploring the feasibility of affordable housing; potentially developing a committee that will learn about affordable housing and support the point person in making recommendations to the decision-making body; and/or beginning to understand some of the decisions the organization will need to make if they continue to pursue affordable housing on their land. These are all critical steps to undertake before a faith organization begins to spend precious resources on predevelopment activities. This stage is also an important time for faith organizations to ensure they have the capacity to make a sustained commitment: The timeline to move from deciding to pursue affordable housing to having a completed project can take 4 to 7 years or more, depending on funding availability.

Concept/Feasibility Phase: At a minimum, organizations in this phase have site control and a documented interest (as described above) in exploring affordable housing development. The aim in this stage is for the organization representatives to determine what kind of affordable housing they would like on their property (e.g., population, unit mix, density, etc.) and whether that kind of development is feasible (e.g., zoning, financing, etc.). This stage includes the continuation of the discernment and decision-making described above, with the faith-based organization engaging with technical experts, learning more about affordable housing models, and determining what makes the most sense for their community.

Initial Predevelopment Phase: Organizations in this phase have completed early site planning and feasibility analysis and are working through the various nonlinear activities of predevelopment, which are dependent on the concept and the organization's project goals. Early predevelopment grant resources are generally most useful in this phase. Activities during this stage can include:

- Working with consultants to complete architectural design, market studies, and environmental reports. (The costs for these reports at an early stage range from \$10,000–\$20,000.)
- Putting together a Request for Qualifications (RFQ) and/or a Request for Proposal (RFP, which includes cost estimates) for a joint venture partner, and selecting a partner. (Working with a development consultant to support this process can cost between \$10,000–\$30,000.)
- Applying for funding for more expensive predevelopment activities, like entitlements. (Predevelopment costs towards the end of this stage and into the joint venture partnership stage begin to cost in the hundreds of thousands, and total predevelopment costs can range from \$2mm to \$5mm in the Bay Area.)

Joint Venture (JV) Partner Management Phase:

Once a faith-based organization has secured a JV partner, they are in this phase. Faith organizations may spend time and need support in negotiating a JV agreement, working with their development partner

to apply for permanent project funding and financing, understanding the construction phase, and/or preparing for lease-up and long-term responsibilities, which could include roles in providing services or asset management.

Case Studies



Friendship Community Development Corporation

Pastor Gerald Agee founded Friendship Christian Center Church in West Oakland. He was called to serve in the community in which he had grown up. In 2006, the Friendship Community Development Corporation was founded for the purpose of developing affordable housing. Today, Friendship Community Development Corporation is partnering with the non-profit Community Housing Development Corporation to produce 50 new units of affordable housing for low-income seniors and homeless seniors in West Oakland. Construction began in early 2024 for a four-story building that will offer 15 studios, 34 one-bedrooms, and one two-bedroom manager's unit. The County of Alameda's Coordinated Entry System will be used to identify these households and will be guided by an experienced team of case managers and service providers engaged by Abode Services.



Agnes Memorial Church of God in Christ

Founded by Bishop Marshall Simmons in 1970, Agnes Memorial Church of God in Christ has been serving the San Antonio neighborhood of East Oakland for more than 50 years. They have fed the hungry, clothed those without, and provided shelter to people experiencing homelessness. Their affordable housing project is in the last stage of predevelopment with partner Related California, as they seek to submit a successful application for a tax credit allocation, which would allow them to move into construction. The project will develop 60 units of senior housing and serve low-income and formerly homeless seniors, fulfilling the dream of founder Bishop Simmons, who always envisioned providing a safe place for his most vulnerable members. Agnes Memorial Church and Related have successfully secured \$4.5mm in funding for the project from the City of Oakland and another \$1mm in resources to support environmental clean-up on the land.

Case Studies



St. Mary's Center

St. Mary's Center has provided essential services for at-risk seniors and preschoolers in Oakland for more than 40 years. Today, they annually stabilize the lives of more than 1,350 homeless seniors and frail seniors living alone, assist neighborhood families who need supplementary groceries, and provide a preschool for 40 children living in poverty. St. Mary's also operates three transitional homes with 41 units, using operating subsidies from the Oakland Housing Authority. In 2018, St. Mary's Center purchased a collection of five vacant storefronts at the corner of San Pablo Avenue and 32nd Street. In partnership with local nonprofit developer Satellite Affordable Housing Associates (SAHA), St. Mary's Center is developing 68 affordable micro-units and medical-respite/assisted-living services. With the help of the program, they completed their MOU with SAHA and crafted an action plan which includes a community engagement process, architect selection, and contractor selection. St. Mary's was granted \$12mm from the state of California for this project, and the team is continuing to apply for funding to fill their project gap.



Ephesian Church of God in Christ

Ephesian first began its ministry in Berkeley, California under the Church of God in Christ denomination in 1926. Under the leadership of the late Sister Carrie Franklin, the church was derived from prayer meetings conducted in the community. The first sanctuary was located at 1616 Russell Street in Berkeley with Elder Frank Warren as the Pastor. The church was named the Church of God in Christ in Berkeley. In 1967, Ephesian began conducting worship and providing services at their new location where they have remained for decades. In partnership with Community Housing Development Corporation (CHDC), Ephesian is in the process of developing 80 units of affordable senior housing on their property in South Berkeley. Ephesian has been working with CHDC since 2020, and with the help of Liberty Atlantic Development Partners as their development coach, the project has made considerable progress toward securing entitlements and local predevelopment funding.

Recommended Strategies for Implementation

To build on the workshops, the consultant team offers a series of recommendations. With these strategies, affordable housing developers and service providers, City of San José/County of Santa Clara staff, philanthropic and funding partners, and

intermediaries and technical assistance providers can work together to support more interim and permanent affordable housing solutions in partnership with faith-based organizations.

Stakeholder: Faith-Based Organizations

Strategy: Clearly outline roles and responsibilities in the housing project.

Steps

1. Convene internal meetings to discuss organizational goals.
2. Clearly document roles and responsibilities, as outlined in the guidebooks linked below.
3. Share this documentation with potential partners.

Strategy: Consider hiring a development consultant or accessing a technical assistance program.

Steps

Development consultants can advise faith organizations through the earliest stages of feasibility assessment, provide support in working through decision points (e.g., what compensation does the faith organization expect or need, what other programming/amenities should be part of the development, what level of decision-making/approval does the faith organization want over the course of the development project), and help the faith organization reach out to and evaluate potential development partners.

Strategy: Build internal capacity to manage housing projects.

Steps

1. Review guidebooks and resources for faith-based organizations interested in affordable housing. A few resources are:
 - [The Affordable Housing Process](https://lisc.box.com/s/wbecj7wnx7xxn0ujoblz7dz2r4ztblr) (lisc.box.com/s/wbecj7wnx7xxn0ujoblz7dz2r4ztblr)
 - [Organizational Self-Assessment Guide](https://lisc.box.com/s/akrkerkh67d660hmnk5bafdxfofg0df) (lisc.box.com/s/akrkerkh67d660hmnk5bafdxfofg0df)
 - [Joint Venture Partnerships Guide](https://lisc.box.com/s/qboodzfu4wus9c36ejgz18gb4olcblrq) (lisc.box.com/s/qboodzfu4wus9c36ejgz18gb4olcblrq)
 - [Case Study Workbook](https://lisc.box.com/s/cd4llmnvwp3ikxhq2552u9lehglzf4g9) (lisc.box.com/s/cd4llmnvwp3ikxhq2552u9lehglzf4g9)
2. Participate in training sessions available for faith-based organizations interested in affordable housing. LISC Bay Area Faith and Housing offers both self-guided and cohort training. DCG Ministry of Housing offers a Digital Workshop Series.
3. Connect with other faith-based organizations that are involved in affordable housing development.
4. Apply for technical assistance programs like LISC's Faith and Housing Program or DCG's Ministry of Housing program.

Strategy: Conduct due diligence on potential partners.

Steps

1. Research potential partners' backgrounds and previous projects.
2. Network with other faith-based organizations for advice.
3. Compile a report on findings.

Strategy: Negotiate equitable Joint Venture agreements that reflect the organization's priorities.

Steps

1. Engage legal counsel for guidance.
2. Draft and negotiate terms that protect the organization's interests.
3. Finalize agreements that ensure long-term benefits.

Stakeholder: Affordable Housing Developers/Service Providers

Strategy: Utilize SB 4 provisions to streamline approval processes.

Steps

1. Ensure projects meet SB 4 objective standards.
2. Apply for "by-right" approval.
3. Incorporate environmental protections as required by SB 4.

Strategy: Understand and use SB 4 to streamline the approval process for housing projects.

Steps

1. Educate internal teams on SB 4 objective standards and eligibility criteria.
2. Engage legal and planning experts to ensure compliance with SB 4 provisions.

Strategy: Build relationships with faith communities.

Steps

1. Participate in workshops like the ones summarized in this report.
2. Connect with groups organizing with the faith communities around affordable housing advocacy.

Stakeholder: City of San José/County of Santa Clara Staff

Strategy: Encourage collaboration among faith organizations, developers, and service providers.

Steps

1. Organize regular stakeholder meetings and workshops.
2. Support Joint Ventures and partnerships through networking events and matchmaking services.

Strategy: Consider making available a list of developers/operators of permanent affordable and interim housing developments that work in San José.

Steps

Faith organizations would receive a list of potential development partners and site operators who have worked with the City in the past five years or may have completed a project during the prior five years or more.

Stakeholder: Philanthropic and Funding Partners

Strategy: Make small grants to faith-based organizations.

Steps

Funds (i.e., in the range of \$25,000 to \$75,000) can be used to support faith organizations in hiring a development consultant or other consultants to complete early predevelopment activities. The development process is complex and, even with a high-capacity, good-faith development partner, faith-based organizations would be well-advised to have their own technical support or representation. Eligible uses for the grants could also include early-stage predevelopment costs/studies that could be determinative in assessing development feasibility.

Strategy: Sponsor additional workshops for faith-based organizations.

Steps

At predetermined intervals (e.g., annually or every other year), in order to capture the participation of faith organizations at different stages of their readiness, sponsor additional workshops targeting faith organizations.

Stakeholder: Intermediaries and Technical Assistance Providers

Strategy: Expand and consolidate technical resources into a one-stop toolkit to support faith-based organizations and other stakeholders looking to partner with faith-based organizations.

Steps

In addition to some of the elements shared above, a toolkit could include some of the following:

- Overview of the State's SB 4 development streamlining rules and how to work with local jurisdictions to access them
- Primer on the restrictions that come with public funding for affordable housing (e.g., housing on faith-based lands can not be conditioned upon membership in faith-based organization)
- Summary of basic housing types, including interim versus permanent and the range of typical target populations, such as seniors, veterans, transition age youth (TAY), developmentally-disabled adults, etc.
- Templates/examples of agreements between developers and faith organizations, ground leases for housing, and organization documents for forming entities for the purpose of development, etc.

Strategy: Create peer support opportunities.

Steps

1. Connect faith-based organizations experienced in affordable housing development with those starting to explore to provide peer support in a mentorship capacity.
2. Cultivate a list of faith-based organizations that have successfully completed development of housing solutions to refer to future, interested faith-based organizations.

Appendices

SB 4 Context

In October 2023, Governor Newsom signed Senate Bill (SB) 4 “Affordable Housing on Faith Lands Act” (Government Code section 65913.16). SB 4 provides a ministerial approval process for 100% affordable projects located on land that was owned by an independent institution of higher education or religious institution on or before January 1, 2024. SB 4 expires on January 1, 2036.

A recent report (turnercenter.berkeley.edu/blog/faith-based-and-college-land-housing) from the University of California Berkeley’s Turner Center for Housing Innovation found that there are roughly 171,000 acres of land throughout the state that would be eligible for affordable housing zoning under SB 4. One of the chief obstacles to affordable housing development is that affordable housing developers must compete against market-rate developments for land. SB 4 opens tens of thousands of acres exclusively accessible to affordable housing developers.

Section 65913.16(c)(9) of SB 4 states: “The applicant shall provide the city, county, or city and county with evidence to establish that the units meet the requirements of this paragraph. All units, exclusive of any manager unit or units, shall be subject to a recorded deed restriction as provided in this paragraph for the following periods of time: (A) Fifty-five years for units that are rented unless a local ordinance or the terms of a federal, state, or local grant, tax credit, or other project financing requires, as a condition of the development of residential units, that the development include a certain percentage of units that are affordable to, and occupied by, low-income, lower income, very low income, or extremely low income households for a term that exceeds 55 years for rental housing units.”

SB 4 Checklist

The City of San Francisco has created a checklist and process to manage SB 4 applications. The checklist is a useful resource for all faith organizations and developers seeking to utilize the streamlining enabled by SB 4. The document is available on the San Francisco Planning website (sfplanning.org/resource/sb4-application).

Relevant City of San José Policies and Ordinances

City of San José Implementation Plan to the Santa Clara County Community Plan to End Homelessness 2020–2025
sanjoseca.gov/home/showpublisheddocument/111629/638509313329570000

Affordable Housing Siting Policy

sanjoseca.gov/your-government/departments-offices/housing/developers/affordable-housing-plans-policies/affordable-housing-siting-policy

Public/Quasi-Public Zoning Ordinance Definition

library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.40COZODIPUQUBLZODI

Safe Parking and Temporary and Incidental Shelter Ordinance

sanjoseca.gov/your-government/departments-offices/housing/expanding-safe-options-homelessness-in-san-jos

HomeBase Emergency Interim Housing

San José Report

acrobat.adobe.com/link/review?uri=urn%3Aaid%3Aacds%3AUS%3Aaf070c69-7531-3474-a360-0649ec04ebaf

Organizational Readiness Assessment Worksheet

Shown on following page

Name: _____

Org Name: _____

Contact info (Phone/email): _____

LISC BAY AREA

Organizational Readiness Assessment

	Yes/No	Notes, reflections
Governance and Decision-making		
Do you have an active governance structure (could be a Board of Directors, or other body), who will direct any decisions made by your organization about using the land for housing solutions?		
Has your organization designated a committee or leadership group to be actively involved in this process of formulation and review of options?		
Housing can take several years to go from concept to construction - does your organization have a strategy for how to manage changes in leadership and membership, who may have new interests, goals, and expectations?		
Our Internal Capacity/Readiness		
Does your organization have a staff or key member who will be prepared to act as the primary point person for your organization?		
Are there other resources (people, financial, or other) available to your organization that might help your organization in defining and developing its land for affordable housing?		
Goals		
Has your organization developed a vision and goals for this effort?		
Who was involved in developing the vision?	-	
What wasn't involved, that might need to be?	-	
Does your vision include answers to any of the following?		
Type of housing, who will live in the housing, what other services or uses might be included in the housing?	-	
What role do you want to have in the operation of the housing, services, etc.?	-	
Do you expect to be paid for developing your land or any other aspect of the effort? If so, what are your financial expectations?		
Will this project include space for your organization to engage in other activities? If so, please describe.		
Do you want to continue to own the land in perpetuity, or is your organization willing to transfer ownership to another entity as part of the development process?	-	



San Francisco



Terwilliger Center
for Housing

ULI San Francisco

2 Bryant Street, Suite 300
San Francisco, CA 94105
sf.uli.org