

Can Struggling Houses of Worship Be Turned Into Housing? Not Always.

“YIGBY” is a hot trend, but there are better uses for some faith-based organizations’ surplus real estate.

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The trend of converting underused houses of worship into affordable housing is sweeping America. The state of California last year passed a law [rewarding faith-based organizations](#) that use their surplus properties to build 100 percent affordable housing. Maryland, New York and Virginia are considering the same, and the cities of Atlanta, Pasadena, San Antonio, San Diego and Seattle have passed similar legislation.

The [YIGBY](#) (“Yes in God’s Backyard”) movement, born in San Diego to counter NIMBY reactions to building affordable housing, is gathering momentum and spreading. Religious denominations, looking at widespread church closures as congregations dwindle, are beginning to focus on how to develop affordable housing on their surplus properties. The Episcopal bishop of Los Angeles last year set the ambitious goal of developing affordable housing [on 25 percent of the church campuses](#) of his diocese.

Meanwhile, respected national not-for-profit organizations, including [Enterprise Community Partners](#), [the Local Initiatives Support Corporation](#) and [Partners for Sacred Places](#), have been forming cohorts of churches to lead them to informed decision-making about developing affordable housing. In the Washington, D.C., area alone, Enterprise is working with groups of churches in two cities and three counties.

From one perspective, the singular focus on turning faith properties into affordable housing makes sense. The U.S. has thousands of vacant or emptying faith properties and a deficit of, by one account, 7.3 million housing units. The Turner Center for Housing Innovation at the University of California at Berkeley estimates that in California alone faith properties and not-for-profit colleges own [171,000 acres of surplus land](#) — five times the size of the city of Oakland — that could be developed into affordable housing.

The Great Mismatch between small, aging religious congregations and large, deteriorating buildings is pervasive. One Presbyterian researcher says it’s expected that by next year [as many as 100,000 U.S. houses of worship will have closed their doors](#). Struggling congregations, unable to shoulder annual expenses of \$7 to \$10 or more per square foot to keep their buildings operable, often just let their buildings deteriorate, eventually hammering a “for sale” sign on the front lawn.

But the notion that all surplus faith properties should become 100 percent affordable housing is carelessly simplistic. Sometimes this approach makes sense. Other times, it doesn’t. Not every faith property is suited to be converted into affordable housing. Other potential uses — and mixed-use solutions — may shout out as preferable, depending upon a wide range of factors.

Gos and Pauses

When does it make sense for a faith institution with underused property to develop affordable housing, and when might it make sense to seek another solution? Think of a “go” as a green light. Think of a “pause” not only as a yellow light but also as a warning that affordable housing may not be what the doctor ordered:

Go: When a community has a compelling need for affordable housing. Los Angeles County, the most populous county in the U.S., has identified the need for half a million affordable homes to bridge the shortage for renter households at or below 50 percent of area median income. Many less economically robust areas such as rural counties, on the other hand, are losing population and may have an overabundance of vacant housing.

Pause: When nearby retail, transit and other infrastructure is missing or limited. Transportation is the second-highest expense for low-income households, and access to public transit, walkable neighborhoods and an effective road grid is essential. It also is important to build in areas with access to utilities and in areas of climate resilience.

Go: When a house of worship property is well configured for residential, office or retail and/or has a significant amount of property. Especially in suburban and rural areas, many houses of worship have acres and acres of land. Some urban churches, on the other hand, have barely more land than the footprint of the sanctuary. Grace Reformed Church in the red-hot market of Logan Circle in Washington, D.C., [has been empty for more than five years](#). Why? Historic designation and a small footprint make it problematic to develop housing or retail.

Pause: When the highest and best use of real estate creates such a high valuation that a competitive commercial offer is almost impossible to turn down. [First Presbyterian Church in Tampa](#) sold its property to a private developer for \$5 million, [First United Methodist Church in Seattle](#) went for \$30 million and [First United Methodist Church in Miami](#) brought \$55 million. Millions and millions of dollars can feed a lot of hungry, clothe a lot of naked and house a lot of homeless without turning the original property into affordable housing. The congregations can relocate to nearby space more in sync with their current needs.

Go: When a house of worship has a strong culture of community mission and commitment to social justice. As the Rev. Thomas E. Frank, retired dean and professor at Emory and Wake Forest universities, puts it, some houses of worship operate more as private “clubs” while others are committed to serving people both nearby and overseas.

Pause: When neighbors are likely to pursue lengthy litigation in opposing changes in zoning and entitlements. Affordable housing is an easy target for NIMBYs. Their claims may be about traffic, deforestation and other quality-of-life issues, but often they simply don’t wish to share their neighborhood with people who are unlike them. If NIMBYs outnumber YIGBYs, it may be time for a pause.

Go: When the region has good affordable-housing culture: experienced and trustworthy developers, accessible development incentives and a track record in support of affordable housing. These regions embrace new and innovative approaches.

Pause: When a house of worship's property is jeopardized by environmental hazards or is otherwise unsuitable for residential development. A number of hazards, natural and humanmade — flood zones, waste beds, asbestos, black mold — can make it problematic to develop a faith property into housing.

Go: When a house of worship has oversized, outdated or inappropriate facilities or is transitioning out of business. With the Great Mismatch between congregations and buildings, more and more houses of worship are finding they have more space than they know what to do with. A financially challenged congregation can fall behind on capital replacements and repairs, leaving a mess behind.

Pause: When a congregation or its governing body is weak, divided, indecisive or distracted. An uncertain or divided congregation, or one that is at odds with its parent organization, means that an already complicated process will take several times more time and money. The field is full of "[congregational discernment](#)" processes that take years or even decades.

Alternative Uses

Are there desirable uses for faith properties other than affordable housing? Plenty.

For centuries, houses of worship have provided social services to their communities — food pantries, clothing closets, child-care centers, health clinics and 12-step groups. Partners for Sacred Places estimates that the average urban church provides more than \$140,000 in goods and services annually to non-church-related human services organizations.

Struggling houses of worship can host other congregations and their missions, especially growing immigrant congregations. These congregations can share in the costs to operate and maintain a faith property.

The expansive architecture of a sanctuary can make for an attractive venue for the arts, both visual and performing. Houses of worship with considerable acreage can use their greenspace for community needs, such as parks, playgrounds and community gardens. Faith properties can invest in space for social entrepreneurship — incubators for small businesses providing jobs that are so needed in low- and middle-income communities.

Houses of worship most interested in housing may prefer to cash in and partner with developers to build market-rate residences or housing that is part market rate and part affordable. The additional dollars can go to support the house of worship's operations and missions.

The days of the single-use house of worship, sitting on a hill behind a picket fence with doors closed six days a week, should be over. Frank, the retired university dean, and I have posited that houses of worship need to be [multiple use not single use, public not private, changeable not static](#). There's more than one way for YIGBYism to make a difference.

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