

# Mission Real Estate Workshop Notes

EDSD, March 11, 2023; 9:00 – 2:00

## Key questions to get started

### Why Mission Real Estate?

- What is the congregation's mission?
- Why engage in mission real estate?
- Where are you in this process?
- Who have you talked to? Who do you need to talk to?

### Moving from Dream to Discern

- What data do you have on who needs affordable housing?
- Does our dream make sense?
  - Market demand
  - How many units based on zoning
  - Who do we want to serve
- What analysis do we need?
  - Cost to plan, design, obtain approvals
  - Pro forma for construction and management
  - Cash flow
  - Union wage requirements
  - Business plan: get value for land

### Ways to make projects affordable

- Financing devices
- Development partners
- Contributions
  - City
  - County
  - Philanthropy
- Higher density/ # of units
- Mix affordable housing with market rate housing
- Mix housing with other types of tenants

### How to decide

- Have you had discussions about project structure? (Sale, partnership, ground lease, etc)
- What information do you have and need for an RFQ/RFP?
- What support would you need from an owners representative?

### Congregational Plan Presentations

- All Saints Vista –
  - Start talking

- Grace San Marcos
  - Explore affordable housing – was high on congregational and community feedback surveys
  - Confirm mission fit and sustainability
  - Land appraisal / capacity
  - Variances – zoning issues
  - Review city general plan
  - Budget for above steps
  - Professional consultant / grant funding?
  - Assign point people for specific tasks
- St. Timothy
  - Mortgage – how to get financial relief
  - Convo about community garden
  - Assess land / asset value
- St. Mary's Ramona
  - Land appraisal
  - Engage Sustainable Ramona
  - Work on Dream and Discern
  - Follow inspiration!
- St. Andrew's La Mesa
  - Community needs
    - Get data
    - Planning department and support
    - Zoning
    - Appraised value
    - Talk to community
- Christ Church Coronado
  - Redevelopment opportunity
  - Talk to internal stakeholders – apartments, parking, school, etc
    - Peace and justice interest in housing
    - Early May meeting – bring in partners for buy-in
  - Narrow ideas of who we will serve
    - Workforce housing, hospital / hotel workers
    - Senior housing
    - Military housing
- St. Andrew's PB
  - Engage vestry in dreaming, assign research
  - Call Deann Rios to start community engagement
- Good Sam
  - Define neighbors – ID formal and informal leaders
  - Engage community and elected officials
  - Current and future zoning- CC&Rs, UC community plan
- St. Margaret's
  - Define what the “there” is – what is the vision of mission we are trying to sustain

- Larger church, move out of denial of financial issues with facts
- What have we learned
- Where do we go from here?
- Sweet spot – church capacity, spirit, community needs

## Questions from sticky notes

- How do we start?
  - Talk to people! After following the steps in the “Getting Started” phase, we suggest you begin a community engagement project. The diocese can help with that. Contact Jason Evans.
- Next time provide name tags
  - Good point!
- How easy is it to contact you? How soon can you respond? How do you answer questions? Phone, email, etc
- Do you meet in person to answer questions and help with ideas?
- Do you charge for your guidance?
  - Emailing Jeff ([jmartinhauk@edsd.org](mailto:jmartinhauk@edsd.org)) or Jason ([jevans@edsd.org](mailto:jevans@edsd.org)) is the fastest way to get a response. We will pull other team members in as needed. It is possible to meet in person or on zoom to talk things through – just ask! There is no charge for use of the mission real estate task force.
- How secure is diocesan ownership of its land? Compare to diocese of Fort Worth
  - Completely secure. The issues in the Ft Worth case were resolved (favorably for the diocese) in our jurisdiction many years ago.
- Is the focus of the development to build and sell or to retain building projects for future generation’s income and sustainability?
  - It will depend on the project, but in most cases we recommend either a joint venture or ground lease over an outright sale.
- If we are doing the ground lease option, will the diocese assist with predevelopment planning?
  - Yes! We are working on the best way to do this- perhaps by providing an owners rep, grant resources, etc. Please contact us once you are ready to budget for these items.
- What is the commercial use impact on charitable status?
  - The development should be structured in a way that does not adversely impact tax exempt status of the congregation; however the analysis should include whether the parcel will retain exempt status for property taxes, etc. It is possible to benefit from paying property taxes if the income is sufficient to justify it.
- Do you have a list of vendors who can provide predevelopment consulting for a 2 acre project?
- Diocesan developer a/h partners?
- Will you provide names of non-profit developers?
  - We have a short list now and will be publishing a longer list on the website as a part of our next steps as a team.
- Can we combine a rehab project for our day school with an affordable housing project?
  - Maybe. It depends on the nature of the project and the way you lay out the space.
- What grants are available for pre-development services?

- Grants are available from county, city, and church / other philanthropic organizations. The best fit for you will depend on the nature of the predevelopment work and the specific opportunity you are pursuing.
- If we build senior housing can we give priority to parishioners as residents?
  - Generally, parishioners are not a protected class for affordable housing. Seniors is a protected class and so the developer may use that as a criteria.
- Please explain the status of SB4?
- What is the likelihood of SB4 passing?
  - This is the bills third time to be considered. Write your elected officials and tell them what you think!
- Help define end-states?
  - The end state for your project is really up to your imagination! It could be affordable housing, a head start program, a nonprofit incubator, or many, many other things: the first question may be to figure out what your community needs in the community.
- Does EDSD have guidelines / process for helping the congregation determine community needs?
  - Yes! Contact Deann Rios, Missioner for Community Engagement ([drrios@edsd.org](mailto:drrios@edsd.org)).