



POLICY PLATFORM FOR NEW YORK CITY'S NEXT MAYOR

CONTEXT

Houses of Faith in New York City face the unique challenge of staying open and mission-consistent in the context of aging buildings, declining revenues, and rising costs. There are 5,645 religious properties in NYC's five boroughs, 3,884 of which are houses of worship¹. These religious properties encompass an immense +72 million square feet of land - not including development potential - across the five boroughs². In Manhattan alone, religious institutions own an astonishing 13 percent of all the borough's property³.

Faith-based organizations deliver 40% of vital human services in cities⁴. Religious properties in NYC host 1,100 community resources, and 26% of city-contracted senior services are provided by religious institutions or community services with historic starts in the religious community, for example, Catholic Charities and JASA⁵. These are millions of dollars in economic impact for services that the City would otherwise have to provide.

Partners for Sacred Places has analyzed the economic "Halo Effect" of religious properties, and found that the average urban sacred site generates over \$1.7 million in economic impact annually, and 87% of the beneficiaries of the community programs and events are not members of the religious congregation. The "Halo Effect" of Judson Memorial Church in Greenwich Village, for example, is an astounding \$10 million.

The majority of houses of faith in New York are small, neighborhood churches in buildings with substantial deferred maintenance that are almost entirely dependent upon congregational support. The financial pressures facing Faith-Based organizations leaves many susceptible to unscrupulous developers, inadequate consideration, and even extinction. In Brooklyn, often called "the Borough of churches," when houses of faith close, it often contributes to gentrification, lessens a neighborhood's healthy diversity, and closes down a wide array of community and social service programs, such as crisis response (including COVID response), food pantries, AA meetings, immigrant sanctuaries, youth activities, arts programs, and day care centers.

FBOs are a subset of the non-profit sector, and we would support the expansion of these efforts to all the non-profit community.

¹ NYC Planning and Dept. of Finance

² Ibid.

³ Office of the Manhattan Borough President

⁴ <https://www.bridgespan.org/insights/library/philanthropy/role-of-faith-inspired-impact-in-the-social-sector>

⁵ NYC Planning and Dept. of Finance

TECHNICAL ASSISTANCE

Problem: Faith-Based Organizations (FBOs) lack technical assistance to fully realize the provision of their community impact and take advantage of City opportunities (funding and contracts).

Solution: Provide technical assistance to FBOs.

Incentivizing the health of FBOs as valuable institutions and creating opportunities instead of obstacles to achieving sustainability, means recognizing the enormous benefit of FBOs and what it would cost the City to begin to replace the services religious institutions and non-profits offer. To do so, FBOs need technical assistance.

Non-profit organizations already exist in NYC that provide technical assistance for FBOs - including Bricks and Mortals, the Partnership for Faith-Based Affordable Housing and Community Development⁶, Enterprise Community Partners, and LISC - and these should be financially supported by the City.

Technical assistance also needs to be provided in the following areas:

- 1) Developing affordable housing (discussed in more detail below) and community beneficial property development. This also includes financial support to acquire unbiased pre-development advice and representation for individual FBOs (similar to that provided by the Attorney General's "Mission Based Affordable Housing Initiative" in Western New York, Capital Region, and Lower Hudson Valley specifically for affordable housing development) to assess their options with a team of unbiased professionals. (See also: Recommendation on The Mayor's Office of Faith-Based Relations.)
- 2) Free legal services, to improve the financial health of religious institutions, including to help FBOs create 501(c)3 secular affiliates and other legal mechanisms to access governmental grants to support their secular work.
- 3) Support to access discretionary operating and capital funding. These processes are arduous and have very specific, changing guidelines, which are often impossible to tackle with a very small number of paid staff – even if the institutions are supporting important public work.

FUNDING

Problem: Funding is needed to support the variety of secular, public services offered by FBOs. Pre-development funding is not widely available, especially in the early stages.

Solution: Additional discretionary, pre-development, and other funding to support these services.

As noted in a recent study, faith-based organizations deliver 40% of vital human services in cities. FBOs need the City funding to provide these essential services, particularly with Covid. These services include, for example: flexible funding for shelter beds and homeless services; justice work; arts programming; food pantries, soup kitchen programs, and community fridge and pantries; immigration clinics and other immigration program

⁶ Comprised of Bricks and Mortals, Interfaith Assembly on Housing and Homelessness, Interfaith Affordable Housing Collaborative and New York State Council of Churches.

costs; sanctuary for protesters; PPE and sanitizing spaces to make these spaces Covid-safe; and, making building more accessible to those with disabilities.

Funding is also needed for rental assistance, capital repairs and money for deferred maintenance that allows FBOs to stay open to provide these services, especially for small congregations that can't afford the big expenses, so many shelters or soup kitchens have to shut down when something like a stove or refrigerator or heating system breaks -

For example, the new environmental law requiring retrofitting to reduce carbon emissions from buildings (Local Law 97), religious institutions are not exempt, and these changes are very costly. This challenge is particularly acute in, but not limited to, landmarked structures. Though it is in the best interest of FBOs to become environmentally improved and accessible (both of which are a public good). Support is needed to make these changes; a possible source of funding could be fines and fees paid by private entities non compliance .

Providing additional funding in early stages for pre-development will enable FBOs to thoroughly investigate their property and mission with no strings attached, and leads to more funding opportunities later in the process, including funds offered by a developer. Non-profit organizations (including those specified under the Technical Assistance Recommendation) that already exist in NYC that provide this technical assistance for FBO should be supported. Grant Funding similar to the New York State Attorney General's "Mission Based Affordable Housing Initiative", which fund initial legal and architectural evaluation and RFP creation, should be established to explore and develop potential affordable housing sites on FBO properties.

AFFORDABLE HOUSING

Problem: The potential for FBOs to develop affordable housing is limited based on FBOs having to take on the financial burden of providing this public service (in the form of reduced consideration for their Real Property). Furthermore, construction uncertainty created by the process of public agency funding frequently encourages FBOs to pursue market rate transactions with greater certainty of timing and consideration.

Solution: Provide incentives for faith-based landowners to pursue affordable housing.

FBOs are pillars and major contributors to their communities. Nevertheless those who pursue affordable housing out of a sense of mission, frequently must forfeit a large portion of the market value of their real estate assets as a result.

This burden can be relieved through: ground leases; sharing value in upzoning; zoning bonuses; allowances for greater number of market rate units; purchase money mortgages; and, public-private partnerships with organizations like Partnership for Faith-Based Affordable Housing and Community Development, Trinity Church Wall Street and the New York Community Trust to identify grant dollars to help fill the financing gap between the market value of properties in some areas and the upper limits the City can pay for affordable housing partnerships.

The City should offer firm guidance, provide referrals to and support for congregations, so they do not unwittingly tangle up congregations with developers before the Faith-Based institutions have secured their own attorney and an owner's representative who is independent of any developer.

Lastly, the City needs to shorten the development pipeline for FBOs. FBOs frequently cannot wait 24-36 months, and in many cases more than 60 months, from discussion to closing. The City should prioritize FBO projects and develop creative acquisition financing for viable FBO projects that will not close in 18 months.

AIR RIGHTS

***Problem:* FBOs air rights are often unusable because policies are extremely limiting, and existing transfer districts are inadequate (even for FBOs in those districts).**

***Solution:* Potential receiving sites for air rights transfers by non-profits and houses of worship should be expanded.**

As elucidated, FBOs provide economic benefit in their communities, however, inability to monetize air rights frequently forces FBOs to sell and move, robbing the local community of the benefits, supports and economic activity once provided. Bricks and Mortals and its partners support changes to zoning regulations to create air rights transfer districts across the City.

There need to be wider options for the transfer of air rights from a non-profit, including houses of worship, to appropriate receiving sites within transfer districts.

LOCAL INPUT AND COLLABORATION ON DEVELOPMENT OF CITY OWNED PROPERTY

***Problem:* There are lost opportunities as a result of the City not collaborating with or seeking input from local FBOs on development of City Owned property.**

***Solution:* Collaborating with FBO neighbors on the development of City Owned Property.**

As stated previously, FBOs are community centers that provide essential community services, frequently supplementing governmental functions. When a City owned parcel is to be developed, the City should engage all FBOs neighboring the property to evaluate opportunities for collaboration and strategies to best support the surrounding community. This includes a right of first offer/refusal.

LANDMARKS

***Problem:* Landmark designations can be financially crippling to a congregation because it restricts development and increases maintenance costs without offsetting public support. In extreme cases, landmarking can be an institutional death sentence; forcing community beneficial congregations out of the communities in which they are most needed.**

***Solution:* Greater flexibility and financial assistance in order to comply with landmark requirements.**

The Landmarks Preservation Commission should seek to balance preservation with community impact when considering the property of an FBO for landmark designation. This includes the LPC staff meeting with the congregations and its leadership. For current FBO landmarks, the City should provide support and accommodation acknowledging the community benefit they provide.

We recommend that no property owned by a religious corporation or affiliate thereof may be landmarked without notification to the owner, the religious corporation if the owner is an affiliate, and, if such religious corporation is under the jurisdiction of an incorporated ecclesiastical governing body as set forth in New York State Religious Corporation Law, Section 12, that such ecclesiastical governing body be notified.

The City should also agree to provide financial support for the maintenance and restoration of landmarked structures, which could be mechanically similar to the way Business Improvement Districts are approved and funded. As mentioned, the new environmental law that requires retrofitting (Local Law 97), religious institutions are not exempt, and these changes are very costly, particularly in landmarked structures.

MAYOR'S OFFICE OF FAITH-BASED RELATIONS

Problem: FBOs and houses of faith have specific needs and require a governmental liaison to help navigate the complex services and offices.

Solution: The Mayor's Office of Faith-Based Relations should be further empowered, strengthened and staffed, so that the community can be provided with the help that it needs and the City will benefit from the insight, history and community connections of FBOs.

There should be Faith-Based offices in each City agency, reporting directly to a Commissioner (or similar level, reporting to the Mayor / Mayor's Office), with a mandate to benefit communities by partnering with FBOs. The Mayor's Office of Faith-Based Relations would work with each of these offices to implement this mandate. We would like to be in consultation with the Mayor as these liaisons are established.