

**DATA AND METHODS APPENDIX TO  
Salim Furth and Eli Kahn, “Office Overhauls and ‘God’s Backyard’: Reforms for  
Housing in Commercial Zones and Faith Land,” April 2024.**

This appendix presents additional data and methods used for the companion policy brief on housing reform in commercial zones and faith land, in which we propose a framework for effective state laws enabling residential uses in commercial districts and on land owned by faith-based organizations.

In section 1 of this appendix, we review bills introduced and passed by state legislators. In section 2 we describe our analysis of a representative sample of commercial zones and religious buildings by discussing

- how we selected our sample of jurisdictions,
- the local commercial zoning in those jurisdictions, and
- the zoning applied to religious buildings in those jurisdictions.

### **1. Reviewing Previous Bills**

We identified state bills on residential in commercial zones (RICZ) and Yes in God’s Backyard (YIGBY) from 2021 through the first quarter of 2024. Tables A1 and A2 summarize the bills’ key points. At the time of writing in April 2024, many remain under active consideration in their legislatures.

### **2. Selecting and Analyzing Specific Local Commercial Zones and Religious Buildings**

Our research aims to identify the range of zoning as applied to commercial districts and religious buildings, and not to measure the frequency of different types of zoning. Consequently, our samples of states, cities, and religious buildings are broadly representative of the United States, but nonrandom. We encourage advocates or lawmakers in any city or state considering these policies to conduct a similar survey to ensure their proposed approach addresses the relevant land use constraints.

**TABLE A1. RICZ bills**

STATE	BILL(S)	STATUS	ELIGIBLE SITE(S)	MAIN EFFECT(S)
CA	AB 2011, Affordable Housing and High Road Jobs Act (2022)	Enacted	Land zoned primarily for office, retail, or parking, but with extensive exceptions	Allows mixed income housing up to 30 to 80 units per acre, depending on context; development projects must pay union wages
FL	SB 102, Live Local Act (2023) and SB 328, Affordable Housing (2024)	Enacted	Any area zoned for commercial, industrial, or mixed use; exceptions near airports, military bases, and within single-family neighborhoods	Allows multifamily housing up to highest unit-per-acre density allowed in the jurisdiction, to highest height allowed within one mile (or three stories) and to 150% of highest floor-area ratio allowed; moderate income set-aside required
MT	SB 245, Revising Municipal Zoning Laws (2023)	Enacted	Land in a commercial zone with water and sewer access in cities with a population over 5,000	Allows multifamily housing and mixed use but does not specify density or other parameters
NC	HB 537, To address critical housing needs by decreasing regulatory burdens on certain development (2023)	Dead	Areas with zoning classifications of highway business, business office, and general business, or similar classifications	Would have allowed multifamily housing but did not specify density or other parameters
OR	HB 2984, Relating to housing (2023)	Enacted	Existing commercial buildings within the urban growth boundary in cities with a population over 10,000	Allows conversion of existing buildings to residences
RI	S 1035, Zoning Ordinances (2023)	Enacted	Existing commercial, religious, and similar buildings	Allows conversion of existing buildings to multifamily or mixed use at a density of up to 15 units per acre
AZ	HB 2297, Commercial buildings; adaptive reuse (2024)	Enacted	Sites of 1 to 20 acres in the nine largest cities; unclear applicability; city may opt out 10% of commercial buildings	Allows multifamily homes with a height of up to two stories within 100 feet of single-family homes and five stories elsewhere
AZ	SB 1506, Municipalities; housing; commercial redevelopment; zoning (2024)	Dead	In the nine largest cities	Would have required cities to rezone 75% of commercially zoned land for residential or mixed use with a height of at least two stories
HI	SB 2948, HB 2090, Relating to housing (2024)	Live	Any area zoned for commercial use	Would allow residential uses, although locality may limit them to upper floors

**TABLE A1** (continued)

STATE	BILL(S)	STATUS	ELIGIBLE SITE(S)	MAIN EFFECT(S)
MD	HB 538, Housing Expansion and Affordability Act (2024)	Enacted	Sites within three-quarters mile of rail transit that are zoned mixed use or nonresidential, subject to a public-health assessment; (other provisions include YIGBY)	If residential use is already allowed, there is a 30% density bonus. Otherwise, it allows multifamily housing up to “density limits that do not exceed the highest allowable” in the jurisdiction; must be 15% low-income designated
MN	SF 3980, Relating to Local Government (2024)	Live	Land not zoned as industrial or agricultural, with minor exceptions; appears to cover all residential as well as commercial zones, and may be limited to cities	Would allow multifamily and mixed-use development up to highest existing height within one-quarter mile and smallest setbacks required within one-quarter mile; no specific densities; density or height bonuses for affordable housing
NH	HB 1053, Relative to permissible residential uses in a commercial zone (2024)	Dead	Any commercial lot	Would have allowed residential uses as of right, but the specifics are unclear
NJ	A 2757, Authorizes conversion of certain office parks and retail centers to residential development (2024)	Live	Large office developments (at least 40,000 square feet) or retail developments (at least 15,000 square feet) with at least 40% vacancy rate within specified planning areas	Would allow mixed uses within the existing built density or at higher density if site improvements are provided
PA	HB 1976, Amending the Pennsylvania Municipalities Planning Code (2024)	Live	Land in commercial zones in municipalities with a population over 5,000, with access to municipal water and sewer	Would allow multifamily and mixed use but does not specify density or other parameters
VA	SB 430, Residential development in certain areas; affordable housing (2024)	Dead	Land in zones that allow no residential use and are not for conservation or agriculture	Would have allowed “any type of residential use that is permitted in a locality”

Note: RICZ = residential in commercial zones.

**TABLE A2. YIGBY bills**

STATE	BILL(S)	STATUS	ELIGIBLE SITE(S)	MAIN EFFECT(S)	AFFORDABILITY REQUIREMENT
OR	SB 8, Relating to land use planning for housing (2021)	Enacted	Faith and public land	Grants a density bonus 125–200% of base density	100% at 60% AMI*
CA	SB 4, Planning and zoning; housing development; higher education and religious institutions (2023)	Enacted	Faith & higher education land	Allows 10 to 30 units per acre in residential zones; 40 units per acre in nonresidential zones; one-story height bonus; union wages and “qualified developer” status required	80% at 60% AMI, 20% at 80% AMI
AZ	HB 2815, Relating to zoning (2024)	Dead	Faith land, including subsidiaries	Would have allowed multifamily housing with a one-story height bonus and 20 units per acre in residential zones, 30 units per acre in nonresidential	50% at 50% AMI 50% at 80% AMI
CT	HB 5174, Concerning temporary shelter units for persons experiencing homelessness or refugees located on real property owned by religious organizations (2024)	Live	Faith land	Would allow up to eight temporary shelter units per site	Intended for homeless people
CT	HB 5390, Concerning transit-oriented communities (2024)	Live	Faith, nonprofit, and public land	To qualify for additional infrastructure funds, towns would have to meet several criteria, including allowing undefined “developments” on applicable land.	50% at 60% AMI
HI	HB 2007, SB 3227, HB 2212, Relating to affordable housing (2024)	Live	Faith, education, and medical land zoned for at least one unit per acre	Would allow housing and homeless services at up to 10 units per acre and would require the institution to retain ownership permanently	None
MD	HB 538, Housing Expansion and Affordability Act (2024)	Enacted	501c(3) nonprofit land	Grants 30% density bonus to multifamily or mixed-use developments; in nonresidential areas, allows developments up to jurisdiction’s highest density; (other provisions include RICZ)	25% at 60% AMI

**TABLE A2** (continued)

STATE	BILL(S)	STATUS	ELIGIBLE SITE(S)	MAIN EFFECT(S)	AFFORDABILITY REQUIREMENT
NY	A 8386, S 7791, Faith-Based Affordable Housing Act (2024)	Live	Faith land	Would allow multifamily housing at a sliding density scale: in places with up to 50,000 people, the parameters would be a height of 35 feet or height of the tallest building on site, and a density of 30 units per acre; in larger cities, a height of 55 feet and a density of 50 units per acre and within 800 feet of a zoning districts that allows greater height or density	20% at 80% AMI, in NYC 30% at 80% AMI
SC	H 4544, Religious Institutions Affordable Housing Act (2024)	Live	Faith land	Would allow tax exemption for affordable housing on religious land; no zoning change	50% at 60% AMI
VA	SB 233, Faith in Housing for the Commonwealth Act (2024)	Delayed to 2025	Faith land	Would allow developments up to 150% of maximum density allowed by the locality	80% at 60% AMI, 20% at 80% AMI

Note: Affordability requirements are reported as the share of units that must be restricted by deed to households earning less than the given percentage of the area median income (AMI), which is calculated on the basis of household size and varies by metropolitan area. Qualified low- or moderate-income residents then pay no more than 30% of household income in rent. YIGBY = Yes in God’s Backyard.

\* AMI = area median income.

### Sample selection

We investigated states in response to requests for information from policy advocates interested in either RICZ or YIGBY policies. We generally used a mix of random and nonrandom jurisdiction selection within each state and included the largest cities in most states.

We performed our research in Texas before conceiving of the larger project. As a result (and because Texas is a much larger state than most), we studied 20 jurisdictions there, compared to 10 or 12 in the other states. In Montana, we focused on cities above 5,000 in population, the threshold at which SB 245 applies.

In each selected jurisdiction, we used the published zoning code to identify the standard commercial and mixed-use zones. We usually skipped highly localized zones in large jurisdictions (e.g., those with a place name in their title). Several jurisdictions have two overlapping zoning concepts—one for use, the other for intensity. We focused on the use zones and drew intensity numbers, where necessary, from what appeared to be the most common intensity levels.

Given the many overlapping restrictions beyond base zoning, such as historical districts, we likely overstated the density allowed by right in some places.

To select houses of worship, we used Google Maps searches for terms such as “synagogue” and “church” to identify the many options. We then selected five religious buildings from each jurisdiction, varying their physical context. In a typical case, we would pick one downtown religious building, and one roughly in each cardinal direction from downtown. Among those, we would consider whether the building was on a side street, the main road, or a surface highway. This nonrandom procedure reliably identified buildings in a variety of local zones.

A few small towns contained fewer than five religious buildings. Two places—Center Township, Ohio, and Roanoke County, Virginia—did not have an online zoning map at the time of our research, so we were unable to identify the zoning districts of the religious buildings there.

For each commercial or mixed-use zoning district and each religious building, we calculated the approximate housing density that would be possible if our proposed RICZ and YIGBY policies were implemented and compared it to the approximate baseline housing density allowed.

#### Local commercial and mixed-use zones

For each jurisdiction we noted the type and density of new housing allowed in each commercial or mixed-use zoning district. We recorded only the densest type of housing. However, readers should not assume that mixed-use zoning is additive: we noticed many commercial zoning districts that allow multifamily but not single-family housing.

We identified as best we could whether special discretionary permission was required for such housing. In practice, a city that allows residential units in a commercial zone by special permit may be more restrictive than one that does not allow them at all. In the latter case, a developer interested in building housing on a commercially zoned site would request a rezoning. The rezoning process in the second city might be more—or less—onerous than the special-permit process in the first. Dallas (see figure A1) is an example of permissive rezoning alongside a restrictive zoning code.

One gratifying regularity we found is that downtown zoning districts usually allow dense residential uses by right. Thus, state RICZ policies will yield few new downtown living opportunities.

Table A3 categorizes the approach of the 62 jurisdictions to residential uses in commercial space. The first category—“inclusive”—encompasses places that allow multifamily housing in most commercial zones. Billings, Montana, exemplifies this approach. Here, the two neighborhood commercial zones allow up to four- and eight-unit multifamily buildings, respectively. Two mixed-use zones and a downtown zone allow larger-scale multifamily buildings. Only one zone, called “heavy commercial,” excludes housing. The zone is mapped along highways and is adjacent to industrial zones.

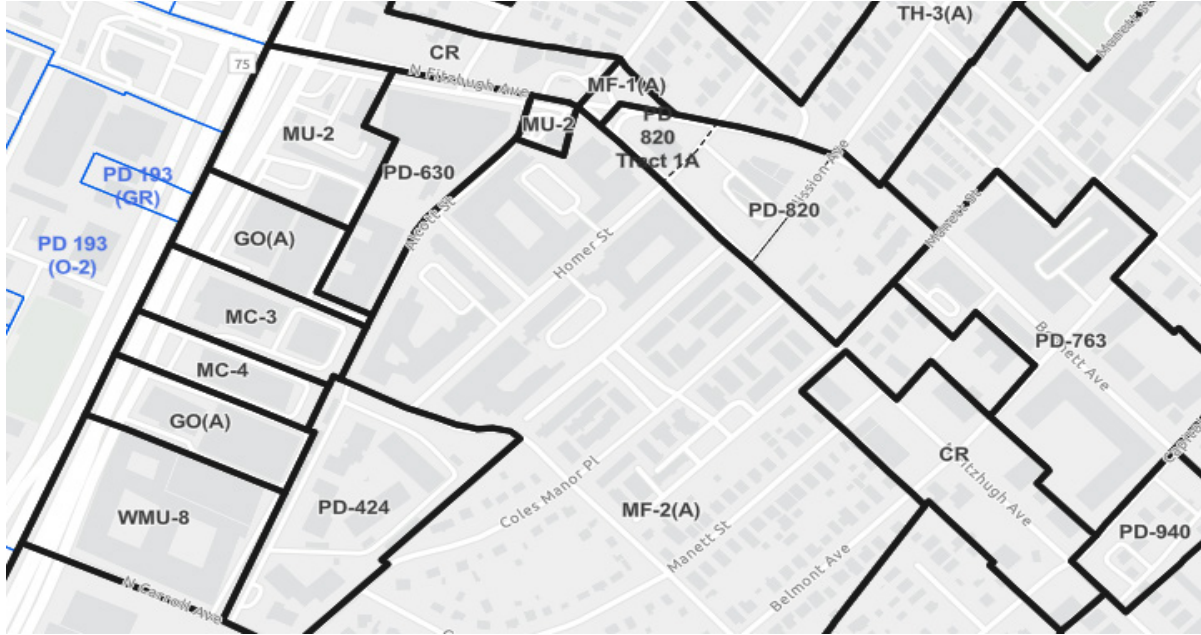
**TABLE A3.** Approaches to housing in commercial and mixed-use zones

ZONING APPROACH	JURISDICTIONS
Inclusive	Montana: Billings, Butte, Great Falls, Lewis and Clark County, Missoula Ohio: Cincinnati, Cleveland, Youngstown Pennsylvania: Altoona, Erie, Londonderry Township (Dauphin), Peters Township (Washington) Texas: Alamo Heights, El Paso Virginia: Roanoke County
Mixed	Montana: Belgrade, Bozeman Pennsylvania: Philadelphia Texas: Dallas, Fort Worth, Tyler
Capricious	Montana: Anaconda, Kalispell, Whitefish Pennsylvania: Pittsburgh Texas: Bryan, Denton, Plano Virginia: Arlington County, Henry County, Richmond
Cutesy	Ohio: Columbus, Orange Township (Delaware), Pleasant Township (Fairfield) Pennsylvania: Smithfield Township (Monroe) Texas: Austin, Round Rock
Very restrictive	Ohio: Center Township (Wood), Copley Township (Summit), Euclid, Huber Heights, Lorain, Williamsburg Township (Clermont) Pennsylvania: Bristol Township (Bucks), Upper Providence Township (Montgomery), Warwick Township (Lancaster) Texas: Arlington, Brownsville, Hedwig Village, Midland, Pearland, San Antonio, Southlake, Sunnyvale, West Lake Hills Virginia: Chesapeake, Danville, Henrico County, Loudoun County, Prince William County, Spotsylvania County

The second category, “mixed,” includes cities that are more permissive than average but nonetheless place barriers to housing in multiple zoning districts where housing should probably be allowed. Dallas is emblematic. We recorded 23 primarily commercial districts, some of which have distinct subdistricts. Of these, eight allowed multifamily housing at varying densities. The narrow distinctions among zones—*neighborhood service* is distinct from *neighborhood office*—do not result in the segregation of uses as much as the patchwork intermingling of zones on a parcel-by-parcel basis. Even with dozens of base zones, Dallas has created multiple site-specific “planned developments.” The result is a mockery of spatial planning, as shown in the snapshot of a mixed-use area along the North Central Expressway (figure A1).

We have provocatively called the third category “capricious.” Jurisdictions in this category allow local planners to approve or reject housing in many commercial districts on a discretionary basis, using a range of tools, such as design review and special permits. Arlington County, Virginia, exemplifies this approach: it allows multifamily housing in most of its commercial zones, but only “under appropriate conditions,” which the county, not the property owner or buyer, determines after a minimum 120-day delay and a public hearing.<sup>1</sup>

**FIGURE A1.** The patchwork of zoning districts and planned developments in Dallas



Source: City of Dallas, <https://developmentweb.dallascityhall.com/publiczoningweb>.

The fourth category includes places that have been zoned only for “cutesy” housing—usually apartments above stores—in many commercial districts. Columbus is the most extreme example, allowing only upper-story residential uses in five of its seven commercial districts. We certainly agree that apartments above stores are a desirable urban land use, but the economics of finding both commercial and residential tenants for the same structure can be challenging.<sup>2</sup> These requirements are likely self-defeating: they are intended to encourage mixed-use areas, but they probably reduce housing in commercial areas.

Finally, the largest single category covers places that severely limit housing in commercial districts. Many suburban cities and townships fall into this category. Southlake, Texas, is typical, barring housing from eight of its ten commercial zoning districts. The remaining two allow townhouses, in one case by special permit only.

#### Local zoning of religious buildings

Churches, temples, schools, and other religious buildings can be found surrounded by skyscrapers, cornfields, and everything in between. We identified the zoning of 296 religious buildings in 60 jurisdictions. As table A4 shows, we most commonly chose churches that were in low-density residential zones, but we also found churches in moderate- to high-density zones of all kinds and in nonresidential zones that allow no residential uses by right.



**TABLE A4.** Types of zoning for religious buildings

DISTRICT TYPE	NO RESIDENTIAL USE BY RIGHT	UP TO 10 UNITS PER ACRE	ABOVE 10 UNITS PER ACRE
Residential	0	139	49
Commercial or mixed use	25	8	35
Industrial	10	0	2
Civic, institutional, or other	22	0	5

Proposed YIGBY laws that apply only in areas that allow no residential uses, such as the initial draft of Virginia’s SB 233, would impact only a fraction of religious sites.<sup>3</sup> Conversely, statutes such as Oregon’s SB 8 that offer a density bonus for affordable housing on land owned by religious groups would not have raised the allowed density in low-density residential districts enough to allow economical use of multifamily construction techniques.

In contrast to the St. Thomas Aquinas School site that was ideal for housing, we found other religious sites that were poorly suited for residences. The Al Razzaq Islamic Center in Dallas, for example, is in an industrial-research zone that permits noxious uses, such as waste incineration. A church we looked at was just over a mile from the Three Mile Island nuclear power plant. Although the plant is now in the process of being decommissioned, restricting housing in the area would have been a reasonable policy choice during its years of operation.<sup>4</sup>

California’s SB 4 handles the question of nearby noxious uses carefully, exempting its YIGBY upzoning from parcels adjacent to light-industrial uses or 1,200 to 3,200 feet from industrial uses of varying intensities. However, the law includes detailed restrictions on so many other dimensions—for example, limiting its use to “qualified developers”—that it may be ineffective.<sup>5</sup>

### About the Authors

Salim Furth is a senior research fellow and director of the Urbanity project at the Mercatus Center at George Mason University. He has testified before several state legislatures as well as the US Senate and House of Representatives. He frequently advises local government officials on zoning reform and housing affordability.

Eli Kahn is a research assistant at the Mercatus Center’s Urbanity project, supporting the center’s scholarship in housing supply. He holds a master’s degree in public policy from the University of California, Berkeley, where he studied housing, transportation, and environmental policy.

## Notes

1. Arlington County, Virginia, Zoning Ordinance, 2023, pp. 7-34 and 15-19, last accessed April 15, 2024, [https://www.arlingtonva.us/files/sharedassets/public/v/1/building/documents/codes-and-ordinances/aczo\\_effective\\_12.16.2023.pdf](https://www.arlingtonva.us/files/sharedassets/public/v/1/building/documents/codes-and-ordinances/aczo_effective_12.16.2023.pdf).
2. Although we do not endorse this approach, we believe that less harm would be done by offering tax incentives for buildings that mix uses vertically on key commercial strips.
3. The initial draft of SB 233 would have applied to seven of the 45 religious buildings we analyzed in Virginia.
4. Geyer United Methodist Church is in a Londonderry Township, Pennsylvania, zoning district that allows one house per acre. Three Mile Island stopped producing nuclear power in 2019. Brett Sholtis, "Three Mile Island Nuclear Power Plant Shuts Down," NPR, September 22, 2019.
5. We were unable to identify a specific development in process that uses SB 4. However, the law has only been in effect for a few months as of this writing. Researchers at the University of California's Turner Center identified 171,000 sites where the law could conceivably be used. David Garcia et al., "The Housing Potential for Land Owned by Faith-Based Organizations and Colleges" (Turner Center Report, Turner Center for Housing Innovation at UC Berkeley, Oakland, CA, August 2023).