



UNITED CHURCH OF CHRIST  
CHURCH BUILDING & LOAN FUND

# **PARTNERING WITH CHURCHES ON CREATIVE USE OF SPACE**

**PRESENTERS:**

Susan Mitchell - Associate Director, Strategic Initiatives CB&LF  
Sandra Acosta - President, AIM Development Group

CHHSM PRESENTATION  
March 2019

# Agenda

## Today's Presentation

- Introductions
- Background on CB&LF
- The Changing Church Environment- Challenges & Opportunities
- Building & Property Issues
- CB&LF's Programs
- Partners In Vision Program & Case Studies
  - Riviera UCC
  - Union Congregational UCC
  - Genesis Worship Center

# SUSAN MITCHELL

Associate Director, Strategic Initiatives- UCC CB&LF

- Previous position: CB&LF Capital Fundraising Executive
- Ordained Minister in the Southeast Conference of the United Church of Christ.
- Over 15 years in parish ministry, including serving as a founding new church start co-pastor.
- Member, Association of Fundraising Professionals, Greater Atlanta Chapter.
- Member Theta Phi International Honor Society for Religious Studies.
- Graduate of Leadership DeKalb.
- B.S., Occupational Therapy, University of Kansas; Master of Divinity, Interdenominational Theological Center, Atlanta, GA.

# Sandra Acosta

Founder & President- AIM Development Group, Corp.

*Company Focus: Real Estate Development; Strategic Planning; Project Structuring/ Leveraging/  
Underwriting & Project Management*

- 20 years of housing and economic development expertise; AIM founder (2003) .
- Facilitated the development of over 20,000 units of affordable housing and over 300,000 SF of neighborhood retail.
- BA in Economics; MA in Public Policy & Management; Certified Planner, AICP.
- Consultant to CB&LF - Partners In Vision (PIV) Program

# UCC Church Building & Loan Fund

The oldest church building loan fund in the United States; has planned and financed thousands of church real estate projects since 1853. Services provided include:

Loan Programs

Capital Campaigns

Partners in Building (PIB)

Partners in Vision (PIV)

# CHANGING CHURCH ENVIRONMENT

CHALLENGES & OPPORTUNITIES

# The Changing Church Environment

## Challenges & Opportunities

### CHALLENGES

- Declining church membership.
- Declining church member engagement.
- Disconnect between church and local community.
- Limited and declining financial resources.
- Deferred Maintenance.
- Underutilized buildings.

### OPPORTUNITIES

- Reengage ministries.
- Leverage physical and spiritual assets to improve the quality of life in communities.
- Create sustainable, income producing projects.
- Maintain the value & control of the church's missional assets- land & building.

# Major Building & Property Issues:

## Deferred Maintenance, Underutilization & Predatory Rates/High Debt

### SHORT TERM:

- Create a Fiscal Burden on Church & Limit Ministry Work

### LONG TERM:

- Deferred Maintenance Leads to Higher Capital Improvement Costs/ Fines/ Loss of Property/Additional Financial Burdens/Vacant or Abandoned Churches in Communities.
- Underutilization Limits the Church's Potential to Use it's Land & Building Assets for Missional Uses/ Program Expansion.
- Predatory Rates/ High Debt Lead to Drains on Resources, Limits Equity, & Increases the Potential for Loan Default.



# Opportunity:

## Building On The “WHY”

- Today, as church membership and financial resources decline, it has become even more important for congregations to reengage their ministries and re-envision how they leverage their physical and spiritual assets to improve the quality of life within their communities.
- A clear, focused mission which is anchored on congregations’ “WHY” is a prerequisite to a successful building project.

# Clear, Compelling and Soulful “Why”

**Your mission is the driving force which captures the “enduring vision, thrust and character” of an organization – “it captures the organization’s soul, reflects the idealistic motivation behind its work, guides its activities and provides the glue that holds an organization together.”**

*(from the Management Assistance Group’s 2007 publication “Strategic Planning That Makes a Difference”)*

**“Successful ministry isn’t focused primarily on how many people are in your pews on Sunday, but on how many people you affect.”**

*-Bishop Yvette Flunder- Keynote Speaker 2016 CB&LF Partners in Building*

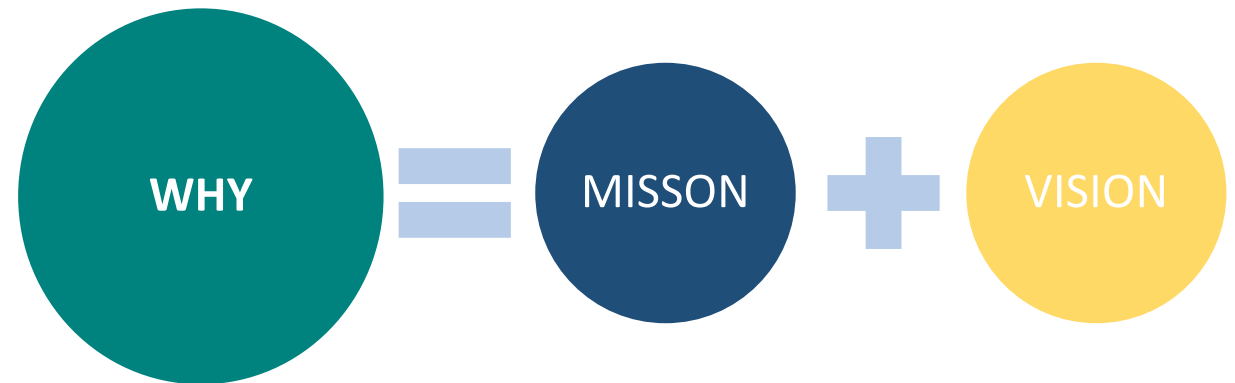
A good mission...

- reflects what distinguishes your church from others in its area.
- must be clear, have buy-in for it to reap benefits of high level of participation, resource allocation (staff, time, funds) and accountability that will improve the probability of success

# Your “Why” is More Than a Calling

## Digging Deeper

- What is the transformation you seek to create?
- Does your church have an articulated written vision for the future?
- What is the specific calling that God has called your church to, which is different than other churches in your area?
- Has your church’s mission been revised in the last 5 years?



# How the “Why” is More Than Traditional Church Vision & Mission

## Traditional Vision and Mission

- Traditional church vision & mission statements often have an internal focus that reflects the congregations overarching spiritual connection.
- Some examples are:
  - “Partnering to build a vibrant spiritual community, embracing all with Christ’s compassion.”
  - “To Joyfully experience God’s love in community and to equip our members to transform the world through God’s love.”

## Adding the External “Why”

- The “Why” has an external component as part of the mission that acknowledges the community at large and defines the congregation’s role within their community.
- CB&LF’s “why”:
  - Reinvent the concept of “church” though innovative uses of buildings and space, unique partnerships and biblical principles too dramatically increase the economic, social, environmental and spiritual vitality of poor communities and gentrifying neighborhoods.

# The “Why” is More Important than “What” or “How”

Unless the Lord builds the house, the builders labor in vain.

-- *Psalm 127*

If you continuously clarify your “Why,” God will direct you to your “How”.

-- *Rev. Patrick Duggan, Church Building & Loan Fund*

When the congregation knows their “Why”:

- The congregation has options on what the “What” can be.
- The “What” has more impact, because the congregation is walking in or towards their purpose. — Michael Jr.

# The Role of the “Why” in Building

## Community is Changing

“You do not live for the building. The building exists for you. It exists for the Church. It exists for the community. We do not live for the building. No matter how old it is. No matter how much history it has. If it does not serve us in The Now, then perhaps it means some real adjustments have to be made to the ministry.”

-- Bishop Yvette Flunder- Keynote Speaker 2016  
CB&LF Partners in Building



- *Ministry = who you are Monday, Tuesday, Wednesday, Thursday, Friday and Saturday – not just Sunday services!*
- *What do you have to compromise to support a building that cannot support itself?*



## The Role of the “Why” in Building

“Your building either *enables* or *disables* you”

“Be a House that serves the people, and not a House where the people have to serve the House”

-- Bishop Yvette Flunder- Keynote Speaker 2016 CB&LF Partners in Building

Historically, the church was designed with worship at its literal and metaphorical center. As community has changed, we need our church spaces to be and do more:

- Be multi-used (i.e., can host multiple programs on multiple days) – not just a worship service for a few hours on Sunday (i.e., pews shouldn’t be screwed to the floor).
- Allow a church room to grow
- Bring in income
- Help our churches be relevant to the broader community

# CB&LF's Programs

Supporting Churches



# Loans

## Overview

Planned and financed thousands of RE projects since 1853.

- Acquisition, New Construction, Rehabilitation and Refinancing
- Small Loan Program, Energy Efficiency Loans & Disaster Recovery Loans
- Loans Available to All Denominations
- Flexible Underwriting
- Adjustable & Fixed Rates Loans
- Ongoing Loan Support

# Capital Campaigns

## Overview

Campaigns to for new construction, renovations, expansions, staffing or building endowments.

- Fundraising professionals provide:
  - A Feasibility Study to Determine Giving Capacity;
  - Campaign Goal Setting;
  - Training, Coaching and Mentoring for Local Church's Campaign Leaders; and
  - Oversight and Support Through the Duration of the Campaign.

# PIB Annual Training Event

## Overview

Empowers congregations as they reinvent the concept of “church” through the innovative use of buildings and land.

- Information on How to Repurpose, Finance, and Manage Church-Owned Property Through Annual Training Event.
- Topics Include: Finance, Accounting, Legal, Insurance, Land Use, Design, Construction and Stewardship.
- Each Congregation Also Offered a One-On-One Consultation.

# Adese Fellowship Program

## Overview

Year-Long CB&LF Program to focused on theological reflection and business development to create enterprises that help communities follow the way of Jesus and live into God's economy.

- UCAN is a Chicago-based nonprofit serving at-risk youth in care of the state child welfare system and youth who have been removed from their homes for reasons of abuse or neglect. UCAN provides a continuum of care to both youth and their families.
- Renita White, Senior Vice President - Housing Support and Workforce Development; CHHSM Board Member; & Adese Fellow.

# Partners in Vision Program

## Overview

Initiative designed to seek out and create opportunities for innovative church place-making and church-led community development projects.

- Provides planning and TA to churches for complex real estate projects.
- Helps churches discern vision plans and create master plans that lead to sustainable, innovative, mission-focused development models.
- Leverages CB&LF's funds with other public, private sources.
- Provides loans & guarantees for missional projects.

# Partners in Vision Program

## Matching Needs to Opportunities

PIV Program Recognizes:

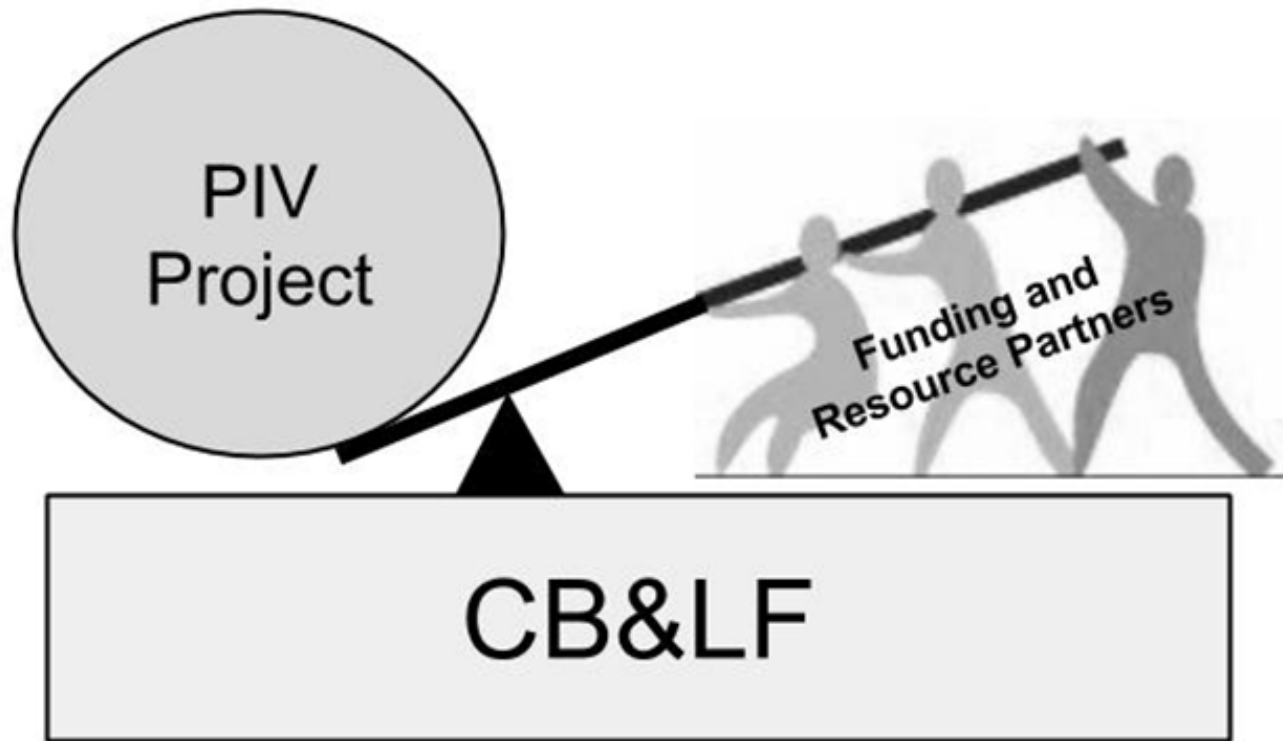
- The significance of local churches to communities.
- The value of church assets and their ability to support neighborhood redevelopment, and applies traditional redevelopment processes in the church context.

Focus on Productive Reuse of Church-Owned Property That:

- Is unused or underutilized;
- Is large or complex and requires expertise to redevelop; and
- Has redevelopment potential as a nontraditional church real estate project.

# Leveraging CB&LF's Resources

## Partnerships



- Traditional Lenders
- Federal, State & Local Government
- Corporate & Foundations
- Nonprofits
- Other Church-Building Funds
- Church & Community Members
- Volunteers

# Benefits of Church-Led Projects

## Deploying Assets For Mission



Redevelopment of church-owned, underutilized land/buildings assets to *generate income* that can stabilize, *sustain or grow* the church partner.



*Empowers churches* to actively lead or participate in neighborhood revitalization initiatives.



*Improves the quality of life* in struggling communities through innovative, *mission-driven*, economic development projects linked to community needs.

**DEPLOYING ASSETS FOR MISSION**



# Why Would a Church Need PIV?

## BARRIERS

Limited organizational capacity/lack of expertise

Working in a “vacuum”

Lack of/insufficient funding for pre-development costs

Limited/no access to loans/ financing/ guarantees at reasonable rates



## RESULTS

Sale of church property

Minor role/space allocation in new development or loss of project control

Higher loan rates, smaller loans & bigger gaps that make project infeasible or unstable in the long-term

Cost overruns, increased debt or partially completed projects

Unsustainable projects that may not address community needs

# CASE STUDIES

## CB&LF's Sample Housing Projects

- Riviera UCC - Palm Bay, Florida
- Union Congregational Church - West Palm Beach, Florida
- Genesis Worship Center - Oakland, California

# Riviera UCC

- 10 acres of underutilized land/ Cash flow issues.
- Desire for land to be utilized for housing.
- Decision not to develop themselves.
- Proactive leadership/ Long term relationship with CB&LF.



## CB&LF Role

- Technical & regulatory review to assess options & improve negotiation power for Church.
- Facilitated discussion with church leaders on options for property.
- Development of overall strategy to maximize value of vacant land.
- Support in assessing potential development partners/ proposals and negotiating agreements.
- Connected with local attorney with experience in similar projects

**Results: 40 new housing units (in Construction); refinance/reduction of church debt; ability to continue church work with land still available for future growth.**

# Union Congregational UCC

- 2.4 acres of underutilized land/ decreasing church reserves
- Missional focus on developing affordable senior housing
- Decision not to develop themselves
- Active Leadership/PIB Participant 2016

## CB&LF's Role

- Original plan on hold / Opportunity to revisit the Church's "Why?" as the foundation for a project
- Preliminary Community Needs & Opportunities Assessment- Ensure project aligned with needs
- Feasibility Analysis- Property, Market, Political, & Federal, State & Local subsidy availability, preliminary budgets
- Anticipated 80-100 units of affordable senior housing
- Facilitated discussions on options for property/ targets for housing

Next Step: CB&LF as Owner's Representative; Ensure Union's interest in overall property development plan & generates additional income to sustain church.



# Genesis Worship Center

- Nondenominational- In process of joining UCC
- Missions includes case management, job readiness & computer training for formerly incarcerated.
- Strong local political & community support for an addition of 4 - 9 affordable housing units to serve local population/ existing Genesis clients.
- Strong appraisal/ projections but complicated existing financing precludes traditional bank loan.

## Next Step:

Assessment of proposal; refinancing of existing debt and financing of addition- In process



**THANK YOU!**

Questions & Discussion



United Church of Christ

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& Loan Fund**

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