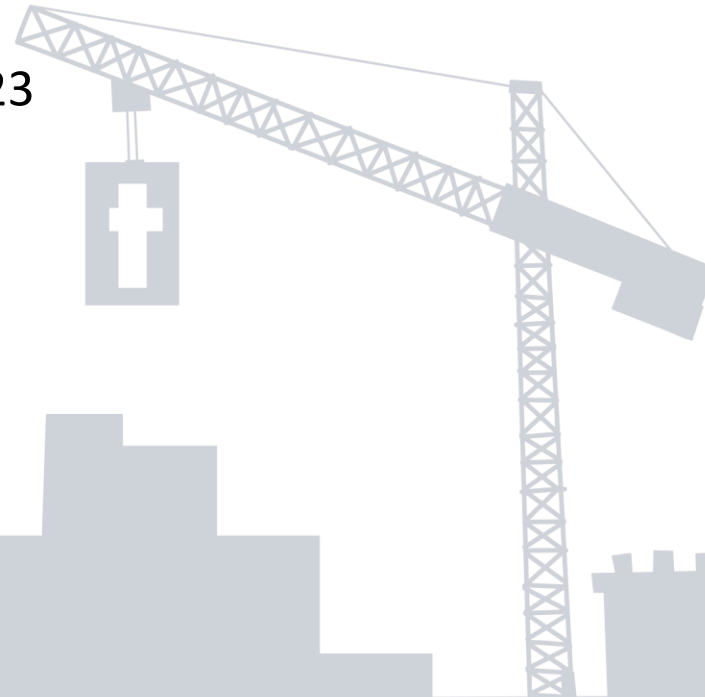




Church Building & Loan Fund

**Program Overview:
Partners in Vision Program (PIV)**

2023



Prepared By:



Church Building & Loan Fund

Who We Are

- The Fund was originated nearly 170 years ago.
- Rev. Dr. Patrick Duggan (Executive Director) is a bi-vocational Pastor with over 30 years of ministry and public sector experience including in education, government, nonprofit organizations and community and economic development.
- Dr. Duggan's doctoral project, "Ground Zero in the Economy of God," focused on increasing the impact, relevance and influence of the church by deploying church assets for mission.



Partners in Vision Program

Support Faith-Based Redeployment of Underutilized Land and Building Assets

Roots of the PIV Program

The Changing Environment for Churches

CHALLENGES

Declining membership.
Declining member engagement.
Disconnect between organization and changing communities.
Limited and declining financial resources.

OPPORTUNITIES

Reengage members.
Leverage physical (land, building), financial, and spiritual assets to meet changing congregational needs.
Create sustainable, income producing projects that improve the quality of life in communities.

Why Design A Program?

Common (Re)Development Issues Faced By Faith-Based Organizations*

Organizational Readiness	Concept, Design and Planning	Outreach/Partnerships	Construction/Close Out
<ul style="list-style-type: none">• No clear why/Purpose• Lack of alignment between mission/vision and project• Not building congregational support• Church staff/members overextended• Expectations vs. budget• Lack of flexibility in design and space• Resistance to change• Emergency issues distract from project	<ul style="list-style-type: none">• Lack of a master plan• Not considering all of the costs• Not exploring preliminary feasibility• Not vetting professionals or hiring right professionals• Not understanding local zoning and local land use regulations• Title/ownership issues• Not engaging local regulatory agencies early• Not considering church needs for long-term sustainability• Designing and building without potential tenants or income streams	<ul style="list-style-type: none">• Lack of connection between church projects and community needs• Lack of community buy-in• Not bringing potential partners in early• Not engaging local government officials and potential funders early	<ul style="list-style-type: none">• Lack of oversight on work product• Lack of oversight on requisitions and construction loan (funding) drawdowns• Liens• Lack of proper approvals or permits• Lack of sufficient insurance• Inexperienced property manager• Neglecting reporting requirements

- Failure to address these issues have often resulted in cost overruns/incomplete projects/defaults/ongoing church budget issues/damage to existing buildings/damaged internal and external relationships, etc. that could have been avoided.

CB&LF's Partners in Vision Program (PIV)

Who is the PIV Program For?

- Faith-based organizations (churches) and closely affiliated 501c3 non-profits, regardless of denomination.
- Organizations that own their land & building assets or have minimal mortgages.
- Organizations that recognize underutilized buildings and/or property that they own are assets that can potentially be used to further their mission, meet local community needs, and potentially generate income.
- Organizations that already provide community services and want to increase programming/community impacts by using their underutilized land/building assets.
- Organizations that are aware of growing community needs and want to explore how to use their land and building assets to meet those needs.
- Organizations that have project ideas for their land/building but need expertise to move forward.
- Organizations that are looking for options other than selling part or all of their land & buildings.

CB&LF Partners in Vision Program

Leveraging CB&LF's financial assets for tangible, measurable impact

GOAL:

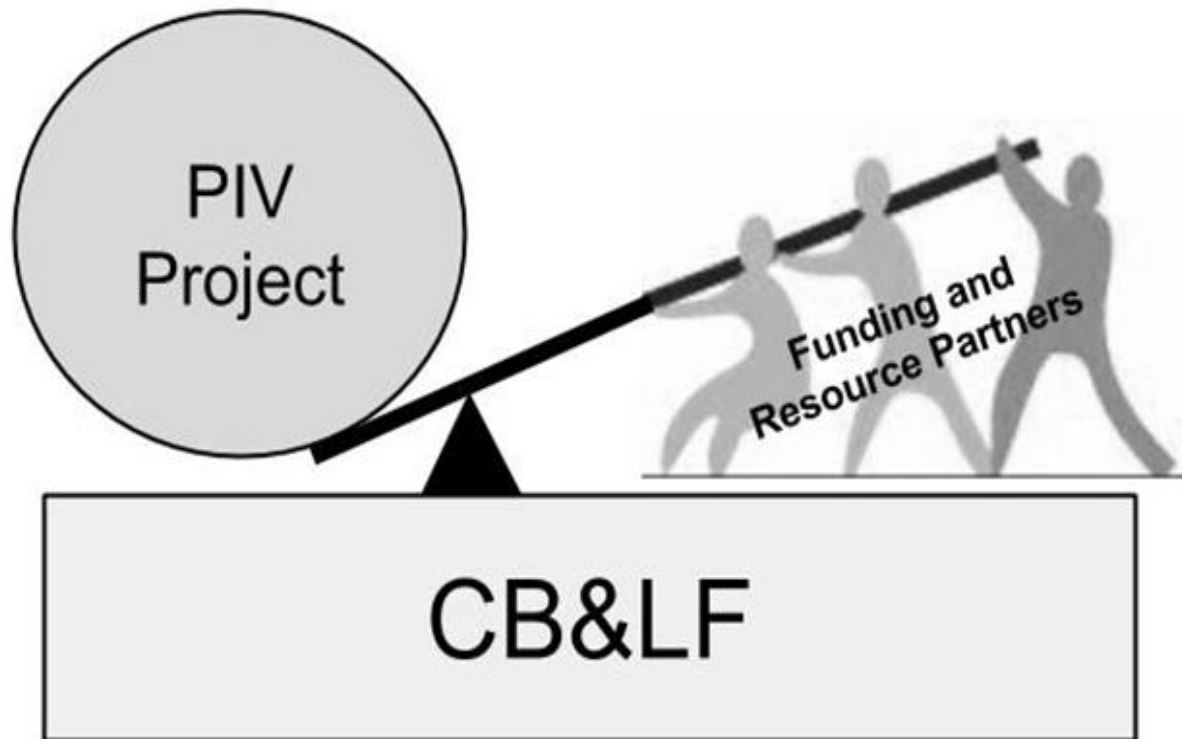
CB&LF seeks to leverage its resources to promote faith-led, sustainable, innovative, and mission-focused housing and economic development projects through impact investments in real estate development projects that will also grow the Fund.

HOW:

- Seek out and create opportunities for innovative church (faith-affiliated) place-making and church-led (faith-affiliated) real estate development projects.
- Provide churches and faith-based organizations guidance and support to discern vision plans and create master plans that lead to sustainable, innovative, mission-focused development projects.
- Provide planning and technical assistance to support the development of complex projects.

Leveraging CB&LF's Resources

By leveraging funding and resource partners, CB&LF can help mitigate a project's risk and expand impact.



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

Working Together Since 2013

PIV Program Team

CB&LF

- 170 years working with churches
- Dedicated missional staff
- Services include:
 - Mission/Vision & Strategic Planning
 - Capital Campaign Services
 - Training Programs
 - Flexible construction and permanent loans.

AIM Development Group

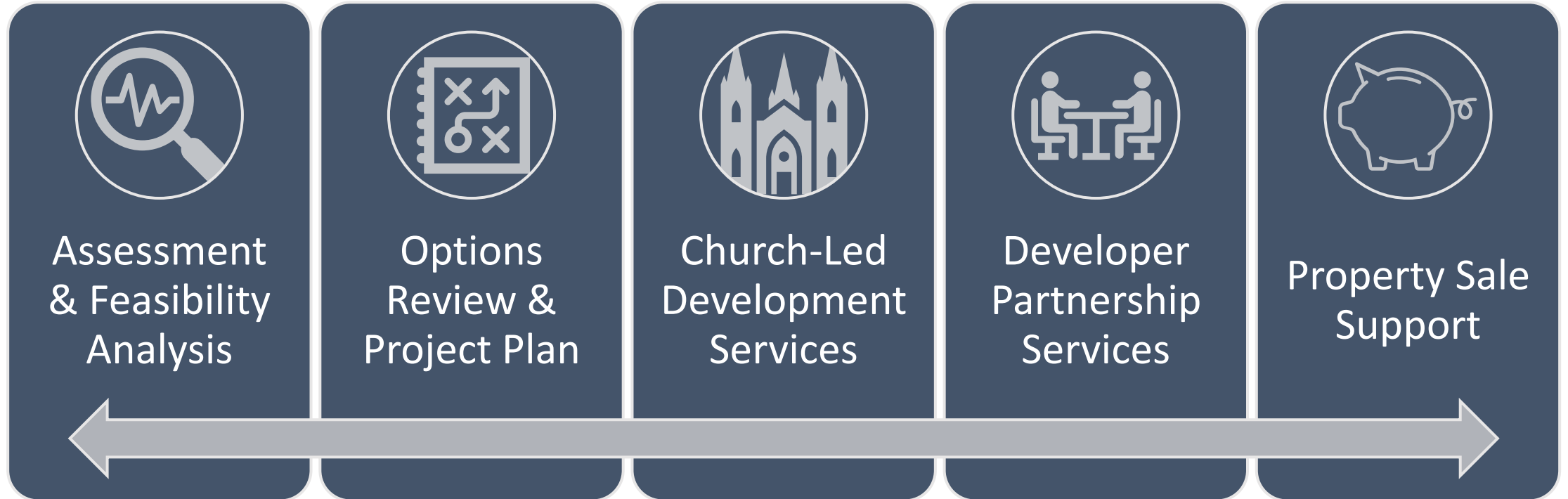
- Planning & Real Estate Development Consulting Company founded in 2003
- Expertise in the following:
 - Affordable Housing
 - Economic Development
 - Strategic Planning
 - Feasibility Studies
 - Program Development
 - Real Estate Development process from concept to completion

Examples of PIV Services

Deploying Assets for Mission

Partners in Vision Program

CB&LF/AIM Services Overview*



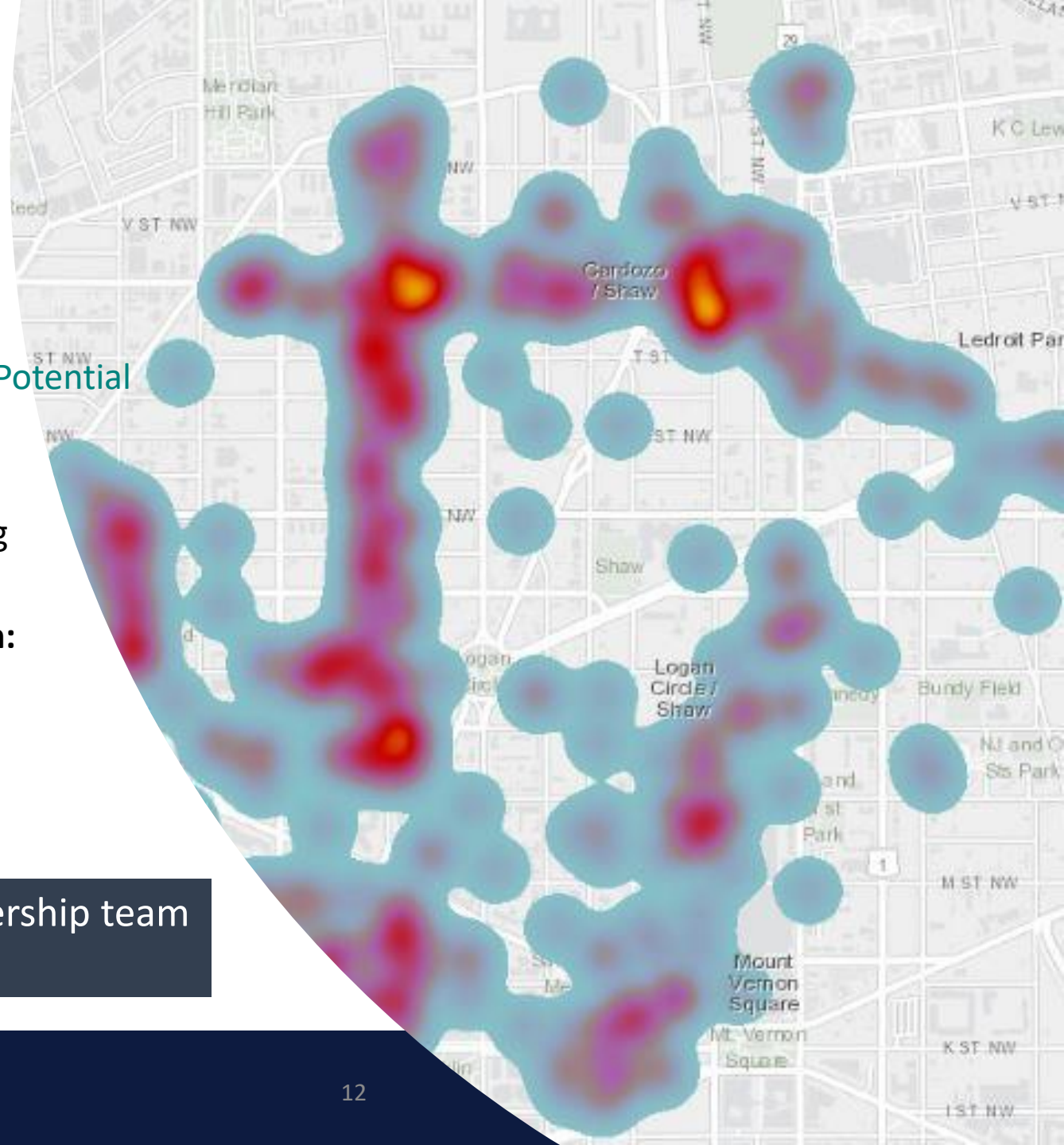
* CB&LF's Consulting & Owner's Representative Services Agreement is a Contractual Agreement offered to churches that qualify for the PIV Program based on application reviews & preliminary discussions with church leadership.

Assessment & Feasibility Analysis

Understanding Existing Conditions & (Re) Development Potential

- **Demographics:** Community Needs & Opportunities
- **Regulatory Review & Property Assessment:** Existing Regulations, Restrictions & Development Potential
- **Economic Overview & Preliminary Market Research:** Existing Market Conditions
- **Political/Regulatory Environment:** Local Initiatives, Priorities & Funding Availability

Facilitated presentation and discussion with leadership team & recommendation on next steps.





Options Review & Project Plan

Select Option based on Analysis, Capacity,
Feedback & Long-term Goals:

- Church-Led Development
- Developer Partnership Agreement
- Property Sale

Begin implementation based on selected option.

Church-Led Development

CB&LF/AIM Services for Churches that Choose to Lead a Development Project

EARLY PREDEVELOPMENT



Org. Goals, Experience,
Capacity & Case Statement

Site/Building Ownership,
Conditions & Potential

Regulatory, Market & Political
Environment/Approvals Rqd.

Preliminary Studies

Potential Viability,
Sustainability & Funding
Sources

Preliminary Plan & Schedule

PREDEVELOPMENT



Long-lead Items & Required
Studies/Professionals

Plan Development & Bids

Proforma & Cash Flow
Statements (ongoing)

Financing Plan (Loans/ Grants
etc.) & Applications

Marketing Plan & Preleasing

Property Management

Ongoing Coordination,
Updates to Plan & Schedule

CONSTRUCTION



Construction Closing
Coordination

Monitoring Progress

Change Orders & Cost
Overruns

Requisitions & Drawdowns

Interim Reporting

Marketing
Implementation & Leasing

CLOSE-OUT



Certificate of Occupancy

Final Punch List, Lien
Waivers & Warranties

Financial Reconciliation

Permanent Loan Closing

Transition to Property
Management Co.

Ongoing Maintenance &
Reserves

Reporting/Record Keeping

Developer Partnerships

CB&LF/AIM Services for Churches that Choose to Partner with a Developer

Prepare & Issue RFP/RFQ to local for profit and nonprofit developers

Vet Responses & Make Recommendations

Support the Negotiation of the Developer Agreement

Represent Church throughout Pre-development*

- Review of plans, specifications, budgets, submittals, agreements, funding applications, etc.

Represent Church during Construction & Post Construction*

- Support closings, review of requisitions, evaluate change orders, monitor schedule, etc.

* *Service will vary based on final Developer Agreement*

Property Sale

CB&LF/AIM Services for Churches that Choose to Sell their Property

Identify Actions/Activities that can Improve Market Pricing (eg. rezoning)

Identify & Vet Local Marketing Professionals & Broker

Review Agreements and Supervise Development of Marketing Strategy

Review of Offers and Recommendations

Support Sales Closing

Related Loan Products

CB&LF Offers the Following Loan Products to PIV Participant Churches*

Predevelopment Loans

Construction & Permanent Loans

Refinancing

Loan Guarantees

* Terms, Rates and Underwriting Requirements will Vary Based on Project Need.

Application Process

Are you ready? How do we support you in getting there?

PIV Program Prerequisites

What does CB&LF look for in a PIV partner?

- Underutilized land or building
- Must be a church or faith-affiliated organization
- Clear & agreed upon “Why” as demonstrated by a recent Visioning Report or Strategic Plan*
- Organizational Capacity & “Readiness” to embark on a bricks and mortar development initiative
- Commitment of active engagement- A solid, demonstrable, commitment to dedicate staff, time and resources to the PIV program
- Financial commitment to cover cost of PIV services- Although CB&LF covers some of the costs of participation as a Missional Investment, the church must be willing to contribute to the development of their project
- Patience- Development projects can take 3-5+ years to complete depending on complexity

* CB&LF also offers Visioning & Strategic Planning Services.

PIV Phases and Fee Structure

Phase	Task Overview	Fee
Phase 1: PIV Pre-Application	<ul style="list-style-type: none"> Organization submits the <u>PIV Pre-Application</u>. CB&LF/AIM reviews the application and schedules a preliminary call with the Applicant. CB&LF/AIM will make a recommendation on path forward. 	No Charge to Applicant (CB&LF Missional Investment)
Phase 2: PIV Full Application	<ul style="list-style-type: none"> Organization submits the Full <u>PIV Application</u>. CB&LF/AIM reviews the application and schedules a follow up call with the Applicant. CB&LF/AIM will make a recommendation on a preliminary scope of work. 	No Charge to Applicant (CB&LF Missional Investment)
Phase 3: PIV Partner Agreement	<ul style="list-style-type: none"> CB&LF/AIM will work with the church to develop a more detailed scope of work with cost estimate that supports the church with redevelopment. After there is agreement on the Scope of Work and cost estimate, CB&LF will draft an Agreement (“Development Consulting & Owner’s Representative Agreement”) for the church & their attorney to review, and formally approve/sign. 	No Charge to Applicant (CB&LF Missional Investment)
Phase 4: Implementation	<ul style="list-style-type: none"> CB&LF/AIM will work with the church to develop a schedule and implement the tasks listed in the signed Agreement. 	TBD- Based on Final Agreement & Scope of Work

Ex. Preliminary Assessment of Redevelopment Potential

Helping Churches Develop Potential High-Level Project Concepts

CONGREGATIONAL READINESS

- *Mission/Vision*
- *Congregational Capacity*
- *Financial Capacity*
- *Community Connections*

SITE CONDITIONS

- *Location*
- *Property Description*
- *Space Utilization (Self-Assessment)*
- *Property Condition (Self-Assessment)*

COMMUNITY CONDITIONS

- *Neighborhood Profile*

POLITICAL/REGULATORY CONDITIONS

- *Political Stability/Approval Structures*
- *Local/Regional Planning Priorities*
- *Zoning and Land Use*
- *Environmental Hazards*
- *Historic or Cultural Designations*
- *Preliminary Subsidy and Funding Opportunities*

MARKET CONDITION

- *Residential Market Retail*
- *Office Market Land Market*
- *Construction Market*

REDEVELOPMENT CONSIDERATIONS

POTENTIAL PROJECT CONCEPTS

Cost:
\$8K to \$10K
(Estimated)

Timeline:
4 to 6 months

PIV Project Examples

Genesis Worship Center

Oakland, California

Returning Citizen Housing

Completed Q3 2021



CB&LF / AIM ROLE

- Assessment of project proposal.
- Refinancing of existing debt.
- Review of contracts/coordination with development professionals.
- Construction & Permanent loans.



CHURCH NEED



- Decreasing church reserves.
- Underutilized space.
- Local housing affordability crisis/resident displacement.

OPPORTUNITY



- 16K SF site with an underutilized building, a strong appraisal, but complicated financing that precluded traditional loans.
- Strong local political & community support affordable housing units to serve local population/ existing Genesis clients.

CHURCH ROLE



- Recently joined UCC.
- Missional focus on case management, job readiness, & computer training for formerly incarcerated.
- Strong leadership and community engagement.

IMPACTS



- 12 units of new affordable housing for returning citizens.
- Attracted 3 year \$4.3M grant for rent & wrap around services.
- Increase in missional impact.
- Model for other local churches.



St. Peter's UCC/MOLO Village CDC



Louisville, Kentucky

Community Facility

Phase 1 - Completed Q2 2021



CHURCH NEED



- Historic church with environmental and deferred maintenance issues.
- Insufficient space for affiliated CDC programs.
- Cash flow issues.

OPPORTUNITY



- Church-owned city block with vacant lot.
- MOLO VILLAGE CDC (affiliated CDC) serves over 1,000 people per week.
- Opportunity to leverage HUD Choice Program (768 families) and other local revitalization investments.

CHURCH ROLE



- Missional focus on substance abuse and reentry programming.
- Strong leadership and community engagement.
- Serving high need community residents: \$14K median income; 84% poverty rate; 38% unemployment rate.

IMPACTS



- 30K SF Community Facility; \$7.8M
- Mission-aligned tenants include MOLO CDC, pre-school, credit union, small business/ entrepreneur services, healthcare, local amenities including local MWBE's.
- Cash Flow stabilization/ Increase in program grants.

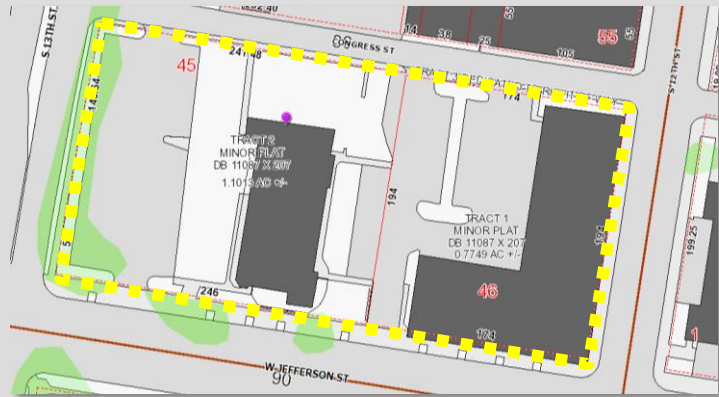
125 Construction & 98 Permanent Jobs.

CB&LF / AIM ROLE

- Developer/Lender/Guarantor.
- Development Consultant and Owner's Representative Services:

Ex.: Concept development; project approvals; marketing strategy; financing (inc. federal tax credits, grants); coordination of development professionals; construction oversight, negotiation.

- Technical Assistance (organizational capacity building, program design, reporting structures).



Resurrected Life/ RCDC



Allentown, Pennsylvania

Community Facility-Education

Predevelopment



CB&LF / AIM ROLE

- Refinanced existing debt to lower monthly payments.
- Development Consultant and Owner’s Representative Services:

Ex.: RFP’s, SOW’s, contract negotiation, financial analyses & projections, proforma’s, case statement, pitch deck, grant-writing support, oversight & coordination of development professionals.

- Predevelopment, construction & permanent leverage loans; Estimated \$8M.

CHURCH NEED



- Loan Refinance to preserve capital for programming & growth.
- Space for educational program expansion.
- Rehabilitation of aging church.

OPPORTUNITY



- Maximize use of underutilized, church owned land & building assets.
- Address increasing community need for preschool, daycare, afterschool, summer programming & wrap-around family services.

CHURCH ROLE



- Missional focus on educating and empowering children, youth, young adults & families.
- Community feeding program.
- Active Leadership & PIV Partner

IMPACTS (ANTICIPATED)



- Complete Campus rehabilitation- church, Academy & parking lot.
- Expansion of educational programs from 500 to 800; new playground.
- Wrap-around services for 450 parents & caregivers.
- 120K meals per year.
- 30 new FT/PT jobs.



People's Church of Dover

Dover, Delaware

Community Center



Predevelopment

CHURCH NEED



- Changing demographics, declining membership and ongoing budget deficits.
- 1923 building in historic district requires ADA accessibility, systems upgrades, etc.

OPPORTUNITY



- Desire to repurpose 26K SF 3-story underutilized historic building to serve community.
- Complements Downtown Revitalization Plan.
- Endowment available to leverage additional funding for building rehab.

CHURCH ROLE



- Completed visioning & strategic plan work with CB&LF; Active CB&LF Capital Campaign.
- Strong leadership and committed congregation; mission-aligned homeless services tenant.
- Commitment to serving high need community residents (24% poverty rate).

IMPACTS (Anticipated)



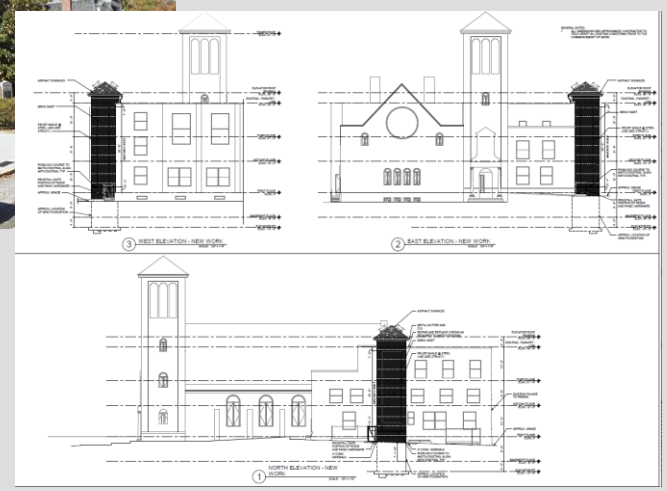
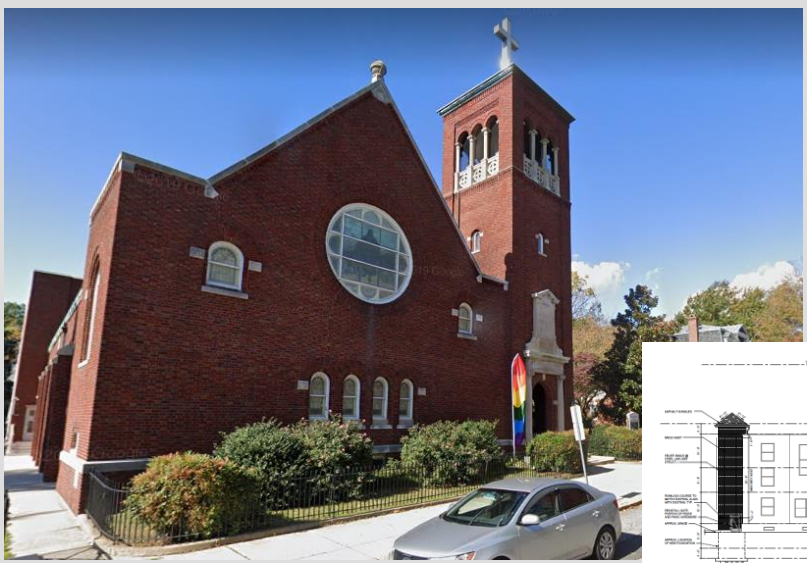
- Accessible health care, children & youth services, and services for under-resourced and/or homeless.
- Strategic use of endowment for missional impact.
- Long-term income diversification.

CB&LF / AIM ROLE



- Visioning & Strategic Planning services
- Capital Campaign services
- Development Consultant and Owner's Representative Services:

Ex.: Assessment of project proposal & existing rehabilitation plan; architectural plan review, revisions & contract negotiation; community needs research & pitch deck; space utilization study; preliminary proformas; stakeholder identification.



Lincoln Congregational Temple



Washington, DC

Housing & Community Facility

Predevelopment



CB&LF / AIM ROLE

•Development Consultant and Owner’s Representative Services:

Ex.: Preliminary site assessment; early-stage feasibility study (with Enterprise FBDI); SOW’s, contract review & negotiations; coordination with development professionals; grant-writing; guidance on MOA and P&S Agreement framework (with pro-bono legal support through A.U. CEED Clinical Program); prepared RFP.

CHURCH NEED



- Closure due to changing demographics; displacement; declining membership; building age; deferred maintenance; and related fiscal challenges.
- Historic status limits property options and increases rehabilitation cost.

OPPORTUNITY



- Continue Lincoln Temple’s legacy through missional reuse of a historic asset.
- Address affordable housing and community facility space needs in a neighborhood experiencing ongoing displacement/gentrification.
- Support Conferences in developing viable missional redevelopment alternatives for declining/closing churches within their conferences.

CHURCH ROLE



- Legacy Covenant proposes transfer of property to Central Atlantic Conference for legacy-aligned use.
- Site is part of CAC/CB&LF Nehemiah Program.

IMPACT



- 20 +- Units of Affordable Housing
- 5,000 SF of Community Facility and/or Worship Space



Riviera UCC

Palm Bay, Florida



Homeownership Housing

Completed Q4 2018

CHURCH NEED



- Loan refinance to preserve capital for programming & growth.
- Space for educational program expansion.
- Rehabilitation of aging church.

OPPORTUNITY



- 10-acres of underutilized land.
- Community in need of housing.

CHURCH ROLE



- Decision not to develop themselves, but instead sell at fair market value.
- Desire for land to be used for housing.
- Proactive leadership/long term CB&LF borrower.

IMPACTS



- 53% increase in sale price vs. initial appraised value.
- 40 new mod-income homes.
- Sales proceeds reduced church debt & improved cash flow to sustain missional work.
- Retained portion of vacant land for future expansion.

CB&LF / AIM ROLE

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



Interested In PIV?

Next Steps

1. After reviewing his PIV program overview, discuss the process with your leadership team.
2. If you are interested in applying, please request the PIV Pre-Application from CB&LF.
3. Prepare & Submit the PIV Pre-Application to CB&LF.
4. Once we receive the Application, we will follow up with you to schedule a preliminary call.



United Church of Christ

Church Building
& Loan Fund

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