

PROPERTY WITH PURPOSE ROAD MAP

This road map is to guide you through the stages of property development. Consider who will be on this initial team as you prepare for Steps 1 and 2. Read through all the steps so that you get a sense of the timeline and are ready when certain meetings need to be organized. Each project and jurisdiction is unique so additional steps may be needed and steps may occur in a slightly different order.

This general road map seeks to provide an outline as churches prepare themselves for major building redevelopment and doesn't replace professional advice. If after reading you are concerned that you missed a few procedural steps, please contact your District Superintendent who will work with the District Committee on Building and Locations Chair to ensure compliance.

THE PROCESS



STEP 1 **Complete MAP Interest form**

This allows the MAP team to learn where you are in your journey, identify needed support, and ensure that the project's vision is rooted in mission and ministry with community partnership. This information will also be shared with the relevant dMAP Team.

[Form](#)



STEP 2 **Coordinate a Meeting with MAP team representative(s) to provide feedback and gain clarity on the submitted MAP Interest form**

Once your MAP Interest form has been submitted, you will be contacted by a MAP team representative at which time a meeting will be coordinated with relevant district and conference people as needed. After the meeting, MAP reps give you 2-4 weeks to form the study group and schedule additional time with the MAP team rep as needed.

The church is required by the Book of Discipline (BoD) to form a "Study Group" to develop and present a vision to the congregation (BoD ¶2544.c). This group should consist of 4-7 individuals and include the most ardent advocates for this vision as well as one or more persons who are more cautiously questioning this initiative. Included in this study group must be a member of the church's trustee board, ideally the chair of the trustees or a trustee who has been delegated authority to act on behalf of the trustees and the church finance chair.

The pastor should attend and participate as often as possible, but the lay leader of the study group must take the initiative to be proactive and catalytic in moving the process forward. There must be a note-taker to record minutes for the meetings and record votes taken by the Study Group, as these will become part of the Charge Conference report to be submitted later.



STEP 3

Feasibility Study and Other Elements of the Property with Purpose Scorecard

Not all projects will need the same type of feasibility study. As available, free affordable housing feasibility studies are conducted by Georgetown students. If you are not focusing on affordable housing, contact the p2MAP Coordinator (p2map@bwcumc.org) for alternative feasibility study options.

The [Property with Purpose scorecard](#) is a useful tool to ensure your congregation is gathering needed information and discerning the strength and viability of the project. Please complete and submit the scorecard with appropriate attachments to Kayla Spears (kspears@bwcumc.org) as it provides useful metrics and a snapshot of your current status. This information will be shared with the relevant team.

Areas with lower scores can be added to the planning and refinement process. Each time you update the scorecard please resubmit. If you decide to request funding from the conference, the final scorecard submission will also be scored by your dMAP Team as a part of an application for funding.



STEP 4

Study Group Discussions and Decision to Church Conference

Review the feasibility study within 30-90 days and decide to move forward with a church conference or go back to the drawing board. If you move forward, set a meeting with your Superintendent and the Property with Purpose Coordinator (your development advisor) for a church conference. As you take notes for this meeting, include formal votes, and in particular, the vote to adopt the study group report recommended to the Church Conference (include date, meeting attendees, and outcome of vote). This is your Memorandum of Understanding (aka the Connectional Commitment).

“The information and findings obtained by the study committee shall: (a) form the basis of a report to be presented to the charge conference (§2544.4); (b) be used by the building committee (§2544.5); and (c) become a part of the report to the district board of church location and building (§2544.6, 2521.1)” Book of Discipline, 2024



STEP 5

Submit/Keep copies of monthly reports from the Building Committee/Project Manager

This step is to make sure that monthly meetings of the Building Committee are taking place and that reports from the committee and Project Manager are being documented and there is an annual review of financial statements. Also at this step, plan for your next church conference meeting.



STEP 6

Identify any needed resources for pre-development

Pre-development costs are expenses incurred before construction begins on a project. This may include costs associated with land acquisition, feasibility studies, design and engineering fees, legal costs, permitting, site surveys, utility assessments, financing charges, marketing and sales preparations, and site preparation. Some items need to be considered depending on the scope of the project, such as whether it is a project that will require an architect or a construction manager, or a design-build project.



STEP 7

Create a non-profit organization or other entity for project land ownership, if not done, or consider the benefits of creating one

The ownership entity that owns the title to the land and to the development entity should be a separate legal entity to protect the non-profit status of the Church. This also creates a firewall to protect the Church from liability that may impact the development entity. This ownership entity may be a non-profit (501(c)3), a limited liability company (LLC), or a community development entity (CDE). Please consult with an attorney if you have questions on which is right for you. Your state will have more information on how to submit the paperwork for the new entity.

A 501(c)(3) is a tax-exempt nonprofit focused on charitable, educational, or religious purposes, with profits reinvested into the mission and no private distribution. An LLC is a flexible for-profit business entity offering personal liability protection, where profits are passed through to the owners and can be distributed in any agreed-upon manner. A CDE is a certified entity that promotes community development in low-income areas, often through programs like the New Markets Tax Credit, with profits distributed to investors involved in social impact projects. While 501(c)(3)s are restricted from distributing profits, LLCs and CDEs can distribute profits to owners or investors, though CDEs have a community-focused mission.



STEP 8
Develop a draft RFP

At this time, the church should have begun to draft a request for proposal (RFP) and begun circulating it to the advisory group for input and review. Contact the p2MAP for recommendations on builders, developers, and other related parties with the RFP draft. Depending on the type of project determines whether it is an RFP for architects, or a design build project in which case an RFP for contractors.

Examples: <https://public.3.basecamp.com/p/96TuZjov71e6UC2yujgboxt5>



STEP 9
Conduct Site Visit (with Church's Development Team) and Review Draft RFP

Contact your District Superintendent, District Board of Church Buildings and Location, and Property with Purpose Coordinator for a site visit that enables leaders to better understand the plans for the property, as aligned with the vision outlined in the Draft RFP. The RFP will be updated as needed based on this site visit. Sometimes the site visit results in more work needing to be done. If using a construction manager, they should attend. If using an architect, they should attend.



STEP 10
Finalize RFP with p2MAP Advisory Group Zoom Meeting (as needed)

The p2MAP Advisory Group includes seasoned developers and experts who will review and advise the Building Committee to strengthen the RFP as needed.

The advisory team meets on the second Thursday evening of each month. Please submit the final RFP and a request to meet 14 days before the monthly meeting to the Property with Purpose Coordinator (p2map@bwcumc.org). A church rep should be present.



STEP 11

Call a Church Conference Meeting to Vote on the Final RFP

The church conference meeting should be set within 30 days of finalizing the RFP. The purpose of this meeting is to vote on the Study Group report, the RFP for developer and the Building committee members (the Study Group often is the core of this group but others are added for expertise in construction and contracting). The Property with Purpose Coordinator will be present to advise and answer any questions that others on the team may be unable to answer.

- Senior Pastor
- District Superintendent
- Chair of District Board of Church Building and Location

Record the vote with other meeting notes.



STEP 12

Send out RFP to interested parties

At this step, rely on professionals to guide you on selecting contractors and exploring financial options. Consult with an architect or construction manager to determine reputable organizations for RFP with consideration to include minority-owned organizations. The church sends the RFP to these and any others the church deems trustworthy. The application window should be 30-45 days.



STEP 13

Call a Church Conference Meeting to Review RFP submissions

After the RFP application period is complete, the building team meets 2 weeks later to review the RFP submissions and presents options, recommendations, and rationale at a church conference meeting. (Minutes to include the date, meeting attendees, and the outcome of the vote). The Property with Purpose Coordinator is a part of the Building Committee's review to provide additional support. Retain an attorney.



STEP 14 **Execution of Ground Lease and Operating Agreement**

The ownership entity that owns title to the physical improvements and executes the long-term ground lease will be governed by an Operating Agreement, if a Limited Liability Company, or a Limited Partnership Agreement. This legal document will codify all of the terms and conditions of the Amended & Restated MOA, plus the financing instruments necessary to complete the Project. This may not apply to every project. Explore the financing options..



STEP 15 **Memorandum of Agreement Created**

After a developer is selected, a Memorandum of Agreement (MOA) is created with attorney and CPA review. You will also need to have a clear idea of how much financing is available to the church. The MOA names the development partner, defines the terms and conditions of the development process, outlines the responsibilities of the parties, and identifies the financial benefits proposed for the church. It allows the developer to invest time and capital to determine what the municipality will allow to be built, what financing is available, the cost of construction, and the financial benefits to the church. Developers will not proceed without an agreement that, if they can prove the economic viability of the project, they will be named the development partner. The MOA assures the church they will have no cost or liability during this process. Once these facts have been determined and presented to the church, an Amended & Restated Memorandum of Agreement will be executed that codifies these facts into a formal working agreement.

Examples: <https://public.3.basecamp.com/p/lcp95ieWYNtXHI9Dtzm-NiZvq>



STEP 16

Building Committee Report to District Board of Church Locations and Building

Within 60 days of the MOA being created, the Building Committee is tasked with, according to the Book of Discipline (§2544.6), creating a report to develop preliminary plans for the project. This report becomes part of the documentation that will be approved by the church (via church conference) (§2544.6), the senior pastor, the District Superintendent, and the District Board of Church Location and Building.
[Form: Building Committee report](#)

Send Minutes and completed form of Building Committee Decisions to District Board of Building and Locations – include formal votes and the vote to adopt the report of the Building Committee recommended to the Church Conference.



STEP 17

Amended and Restated Memorandum of Agreement

This is the final agreement review and reassessment containing all the terms and conditions of the development partnership, including rights and responsibilities, project org chart, revenue shares, and options for buy-out and right of first refusal. This is the time to determine if any revisions need to be made.



STEP 18

Submission of final building renderings and final project financing to DS, P2MAP, Church Location and Building

Submit the final documentation – building renderings, project financing, title insurance policy, and final MOA – to the District Superintendent, Property with Purpose Coordinator, and Church Location and Building.



STEP 19

Church conference approves final documents

The Building Committee is tasked, in the Book of Discipline (§2544.7), to create a report to develop final, definitive plans for the project. Once all funding is finalized, this report serves as the binding agreement controlling the project, to be approved by the church (via Charge Conference, §2544.7), the senior pastor, the District Superintendent, and the District Board of Church Location and Building. Minutes are taken and will act as the report.



STEP 20

Develop final construction documents consistent with final approved RFP

NOTES THAT PERTAIN TO AFFORDABLE HOUSING PROJECTS

- **Right of First Refusal after 30-40 years.** This step will not pertain to every project. Affordable Housing Projects that are funded with Low Income Housing Tax Credits (LIHTC) are required by covenant to maintain the units as affordable for 30-40 years. The credits are paid out by the government for 10 years. The credits are sold to an investor through major banks and insurance companies. The investor becomes an owner of the project, to receive the tax credits, for the 15 year term. At the end of that term, the investor is bought out and full ownership returns to the project owners.
- **Decision to Refinance or Re-Syndicate LIHTC.** This will not pertain to every project, in particular affordable housing and land leases. Interest rates are volatile. Appropriate p2MAP Advisory Team members will monitor market conditions during the life of the covenant, make recommendations when to re-finance, find the lender and negotiate terms on behalf of the church.

Similarly, after 15 years LIHTC credits have expired, and it is possible to re-syndicate the tax credits. The Property with Purpose Coordinator will be able to connect the Church with the best syndicator, negotiate terms of a new syndication, and advise the Church of the benefits and detriments of a re-syndication.