

memo

Albany Presbytery

To: COMAC and the Board of Trustees
From: Bill Henderson, Temporary Presbyter
Date: 12/15/2020
Re: The Matter of Church Closures and Church Property

Background/Overview

Recently I attended a two-day Zoom call of mid-council leaders' financial matters. The focus of the conference ***Property Stewardship: 21st Century Mission Challenge***. The reality is that for each of the last 10 years the PC (USA) has sold \$100,000,000 of real estate – every year! As a result of the pandemic there will be more church closures and more church property to deal with. Right now the denomination has 20,000+ local properties. However, the denomination has only anecdotal information on actual shares.

The harsh reality is that Albany Presbytery has had to deal with property issues, too – from selling a camp, to extracting a stained-glass window from a building that was more valuable than the building itself, and to be handed church buildings that are in disrepair.

Across our denomination there has been an increasing rate of sales of church properties. Our congregations have an aging demographic combined with declining membership. In response to this reality, parachurch organizations often want to take over such properties through 'hidden contractors', In addition, during the last 50 years the view of church property has changed: from needing a building 'to do ministry', to a realization that a congregation doesn't need property to minister in a community.

How can the presbytery prepare itself for the reality of ongoing church closures? Studies by the Presbyterian Foundation have identified the fact that a church must have 80 active members to sustain a church building. An annual church budget that doesn't allocate about 20% of its revenue to maintaining its facilities is the first indicator that the property will soon be in poor repair and thus less functional. The likelihood that such a church property will need to be sold will increase. But the value of the church property will be totally dependent on its location. Unfortunately, most church properties in Albany Presbytery will have low value (in contrast to Boston, for example) and in some instances be unsaleable (as we saw in the case of Watervliet).

What data shows a church is on a trajectory to close?

- 5 years since the last full-time pastor

- Aged out congregation, no generations following
- Less than 6 members on the session
- Lack of overall finances, greater dependence on savings, building maintenance needs
- Lack of energy in service, people are tired, cannot maintain ministry
- Lack of hope, lack of vision (why the church exists)
- In such a condition, closing a church can be an act of grace

How does presbytery help?

- Presbytery can set up an administrative commission to help work out specifics
 - The church needs strong stable leadership; the presbytery can provide it
- Trustees can help church not to spend down its assets to \$0
 - Can the church reinvent itself? Be realistic not idealistic.
- Remove the burden of caring for property, if possible
 - Congregation remains in place, but share the facility
 - Sell to a landlord, and the church rents its space
 - The presbytery, or church, often undersell a property. Why? We need to sell it now, we can't afford to carry the costs
- Leave a legacy for the church. A percentage of the net sale can be given to local non-profits (not to another church). This process often takes 3 years from vision to reality, which is why early intervention is important
 - Can the funds be invested in a new worshipping community?
- Work to find a new worship space for the congregation, if they desire it (not all do) or encourage members to join another presbyterian church

What do we do with the properties of our 'churches soon to close'?

- What does the community lose if the church closes and the building is no longer used? (AA, Scouts, Community Ministry). Make an assessment of this.
- How do the proceeds from the sale get used? Can the property be used in partnership with local municipalities? Can the property be re-imagined? Can a developer (e.g. Sano-Rubin) convert the property into affordable housing?
- The effects of the pandemic will have greater weight on the church property issue. Property is devalued now (even commercial). There is a downturn in possible revenue streams (especially from rentals), long-term economic scarring in urban and rural areas, etc.
- Frankly, we are in uncharted days now with respect to handling church property.