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# Property Committee

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Manual of  
Operations

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Hudson River Presbytery

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1.0	Property Committee General Guidelines	
1.1	Property Committee Membership	2
1.2	Property Committee Scope of Authority	2
1.3	The Right of Appeal	3
1.4	How to Communicate with the property Committee	3
2.0	Mortgages	
2.1	Introduction to Mortgages	4
2.2	General Guidelines for Obtaining a Loan	4
2.3	Mortgages Less than \$50,000	6
2.4	Mortgages More than \$50,000	6
2.5	Step One – Preliminary Procedures	7
2.6	Step Two – Preliminary Loan Analysis	7
2.7	Step Three – Formal Loan application	8
2.8	Step Four – Property Committee Review of Application	9
2.9	Step five – Approval of application	9
2.10	Step Six – Post-Loan Closing Procedures	10
2.11	Loan Refinancings, Modifications, and Extensions	10
3.0	Sales and Leases	
3.1	The Sale of Real Property – Used for Worship	11
3.2	The Sale of Real Property – Not Used for Worship	11
3.3	The Leasing of Real Property – For Other Worshipping Communities	11
3.4	Cellular Telephone and Communication Leases	12
3.5	Churches with Nesting/Partner Worship Communities	12
3.6	Right-of-Way or Utility Easements	12
4.0	Cemeteries	
4.1	Congregations Owning and Operating Cemeteries	13
5.0	Church Manses	
5.1	Preamble	13
5.2	Policy	13
6.0	Church Buildings	
6.1	Purchase of Land or Buildings	14
6.2	Historic Districts or Landmark Designations	14

Applications/Forms

## Property Committee General Guidelines

Here you will find:

Membership and work of the Property Committee  
How to communicate with the Property Committee

### 1.1 Property Committee Membership

1.1.1 The Property Committee consists of individuals appointed by Hudson River Presbytery according to its By-Laws, and shall include, as Ex Officio members: the Finance Manager and the State Clerk.

1.1.2 The Property Committee chair is elected by the Presbytery.

### 1.2 Property Committee Scope of Authority

1.2.1 This Manual of Operations shall constitute the guidelines that Hudson River Presbytery has approved that empower the Property Committee to consider requests from congregations and the procedure by which a congregation may appeal decisions of the Property Committee to Hudson River Presbytery.

1.2.2 The procedures set out herein are a statement of basic requirements and are not intended to be definitive or exhaustive. The Property Committee may request further information or documentation with regard to any request submitted by a congregation.

1.2.3 The Property Committee acts for Hudson River Presbytery on requests for permission to sell, mortgage, lease, or otherwise encumber the real property of congregations, or to acquire real property subject to an encumbrance or condition, in accordance with the Book of Order (G-4.0206; G-4.0208; G-3.0303 [a,f]).

1.2.4 Examples of the kinds of transactions within the scope of the Property Committee include, but are not limited to, the following:

Outright sales of real property, whether acquired by purchase or gift. [It should be noted that this permission by or on behalf of Hudson River Presbytery is required as churches apply to the County Superior Court for permission to sell property owned by a not-for-profit religious corporation.]

The granting or creation of any easement, covenant, license, or profit on real property, with or without any consideration being paid

Any loan secured by a lien on any real property for any purpose

Any mortgage to purchase a manse

Any mortgage in order to remodel existing facilities or build new facilities

Any lease of any real property for a stated or potential term of more than five (5) years, including oil and gas leases or cell telephone/communication leases or any other telecommunication lease or easement.

Any lease, for any term, of real property used for worship purposes, whether structured as a formal lease or simply as a sharing arrangement.

Acceptance of any gift of real property that is subject to a lien, lease or other encumbrance

Any renewal, modification or extension of any loan transaction previously approved by the Property Committee or prior Budget Finance and Property Committee.

- 1.2.5 Any request by a congregation for approval of the sale of real property used for purposes of worship shall be further approved by the body of Hudson River Presbytery after the request has received approval from the Property Committee.
- 1.2.6 Any loan request in excess of \$250,000 or any proposed sale of property in excess of \$500,000 shall be further approved by Hudson River Presbytery's Council after it has received approval from the Property Committee.

### **1.3 The Right of Appeal**

- 1.3.1 In any request the Property Committee considers questionable, it may refuse to act or deny the request. In such a case, the congregation may appeal the decision to the Hudson River Presbytery through the Council. If a congregation disagrees with a decision of the Council, it may appeal that decision to the body of the Presbytery.

### **1.4 How to Communicate with the Property Committee**

- 1.4.1 All communication with the Property Committee should be directed to the Property Committee chair or the Presbytery Staff committee member.
- 1.4.2 Requests for Property Committee action, together with any required documentation, are to be submitted well in advance, to allow ample time for review and analysis. Generally speaking, a congregation contemplating a transaction ("sale, mortgage, loan, or lease") that might require Property Committee action should contact the Committee at least TWO months prior to needing approval, sharing details as they become available. A congregation should not enter into any agreement or take any final action on such a matter until the Property Committee has given approval.
- 1.4.3 All documents shall be submitted to the PROPERTY COMMITTEE in electronic format, preferably as PDF files.
- 1.4.4 In most cases, a congregation will be well advised to seek preliminary approval of a transaction by submitting as much information as possible to the Property Committee as early as possible. The Property Committee may act conditionally, subject to receipt and approval of all final particulars about the transaction, or it may defer taking any action until the details are resolved.
- 1.4.5 Meeting dates and deadlines for submissions of requests are published on the Hudson River Presbytery website shortly after January 1 of each year. Requests that are not timely submitted may be deferred to a later meeting of the Property Committee, except in the case of an emergency or for other good cause.
- 1.4.6 When a request is presented to the Property Committee, the usual procedure will be for the Property Committee Chair to review and discuss the request with the congregation. When all information has been submitted, the Committee Chair will present the request to the Property Committee for discussion and recommendation.

- 1.4.7 If a representative of a particular congregation has been asked to be present, either in person or by telephone, when the Property Committee is considering a request from that congregation, the Property Committee will hear from that representative and then that person will be excused before the Property Committee deliberates and votes on the request.
- 1.4.8 The Property Committee strongly recommends that any congregation considering a transaction secure such competent professional assistance as the transaction requires. That may be an attorney, an engineer, an architect, a real estate professional or other individual with expertise in the area. The Property Committee may condition its approval of a transaction on a congregation obtaining needed professional assistance. Any expenses (legal, engineering, etc.) incurred by the Property Committee in considering a request from a particular congregation shall be borne by the congregation.

## 2.0 Mortgages

Here you will find:

- General information needed to make a loan request of the Property Committee
- Requirements for loans
- How to get the loan process started
- Loan application requirements
- Information for loan refinancing, modifications, extensions

### 2.1 Introduction to Mortgages

- 2.1.1 The Book of Order requirement that the Presbytery approve mortgages of property of a congregation stem from the connectional nature of our system, and the ultimate trust relationship between a congregation and the PC(USA) with regard to property. This requirement was adopted many years ago to help congregations avoid financial crises. Additionally, loans are almost always guaranteed by the Presbytery; thus, Hudson River Presbytery expects that a congregation be able to repay any loan assumed in a fashion that will enhance, rather than diminish, the congregation's resources for ministry.
- 2.1.2 When a congregation seeks approval for a transaction, each application is considered on its own merits. The evaluation is made to ensure that the congregation has sound advice, that it has considered the impact of the transaction on its ministry and witness, and understands all relevant risks that inevitably are associated with any business transaction. Permission is usually granted for proposed transactions if the congregation can afford it, and if the risks are understood, evaluated, and deemed reasonable.
- 2.1.3 When a congregation first begins to seek approval of a loan transaction, it shall submit a statement signed by its Moderator and Clerk of Session affirming that the Session understands and agrees to these guidelines for loan approval, in the following form:  
*The session of (insert name of congregation) of (location), New York, reviewed the guidelines for loan approval as detailed in the Manual of Operations of Hudson River Presbytery's Property Committee on (insert date), and understands and agrees to those guidelines.*

### 2.2 General Guidelines for Obtaining a Loan

- 2.2.1 With regard to requests for approval of granting a mortgage on real property, no distinction is made herein between loans that require Presbytery guaranty and those that do not require a guaranty. The same requirements apply in either case. The terms “loan,” “mortgage” or “guaranty” may be used interchangeably herein, as the context may require.
- 2.2.2 With regard to any request for approval of a mortgage, the Property Committee may request such information as it may determine is necessary to enable it to fulfill its constitutional function.
- 2.2.3 The Committee will not grant final approval of a transaction until the identity of the lender and specific loan terms are determined. Preliminary approvals can be considered to enable a congregation to negotiate for a loan or to otherwise plan, but no final approval will be granted until the specific lender and the specific loan terms are known, reviewed, and approved.
- 2.2.4 With regard to any loan guaranteed by Hudson River Presbytery, the congregation shall agree in writing that upon request by the Property Committee it will provide a statement certifying as to the status of the loan guaranteed, whether current or delinquent, and stating the current principal balance of the loan guaranteed and the date to which interest on the loan has been paid.
- 2.2.5 Any congregation with an outstanding loan guaranteed by Hudson River Presbytery shall provide the Presbytery with a copy of its annual financial statements (balance sheet and income and expense statements) within sixty (60) days after the end of its fiscal year.
- 2.2.6 In the case of Presbyterian Church (USA) Investment & Loan Program (“PILP”) loans requiring an “enhanced” guaranty by Hudson River Presbytery, that is a guaranty pursuant to which Hudson River Presbytery is obligated to make an installment loan payment upon any delinquency by the borrower, Property Committee may require reasonably demonstrable assurance of the congregation’s ability to repay the loan when and as it becomes due without material detriment to its existing ministry. If a church is in default of loan payments for 6 months, Hudson River Presbytery (as guarantor of the loan) will take steps to sell property or portions of the church property to bring payments to currency.
- 2.2.7 If a congregation proposes issuing and selling bonds to finance a construction project, and can satisfy the Property Committee that the issuance of bonds is in the best interest of the congregation, the Property Committee requires strict compliance with additional rules to adequately protect the congregation:
  - a. Hudson River Presbytery requires that such a bond program be constructed with the aid of an attorney who specializes in congregational bond programs in the State of New York. This attorney’s credentials must satisfy and be approved by Hudson River Presbytery’s legal counsel.
  - b. The design of the bond program and all legal documents drafted for its execution require the approval of Hudson River Presbytery’s legal counsel.
  - c. The congregation will pay all the expenses of the bond program, including all attorney’s fees.
  - d. The congregation will reimburse Hudson River Presbytery for all legal expenses incurred in evaluating the legal documents relating to the bond program.

- 2.2.8 The Committee will use due care in analyzing any transaction that uses unusual financing methods and will ordinarily not approve such transaction.
- 2.2.9 Requests from a congregation for Property Committee approval of a loan that encumbers real property of the congregation, or for a guaranty of a loan by Hudson River Presbytery, are to be accompanied by written information from which the Property Committee may reasonably conclude that the congregation demonstrates, both historically and prospectively, a significant commitment to the life, mission, and ministry of the Presbyterian Church (USA), and recognizes and appreciates the unique connectional relationship that exists among individual congregations and more inclusive councils of the church.

The following items are illustrative, but not exhaustive, of the kinds of information that the Property Committee may consider in making its determination:

- a. Information as to the various ways in which the congregation has demonstrated its efforts to further the life, mission, and ministry of the PC(USA) through the time, talents, and treasure of its members
- b. Information as to the extent to which members of the congregation maintain regular and continuing relationships to the more inclusive councils, work with the church, and work with the various structures of the church to enable the more inclusive councils to fulfill their constitutional responsibilities
- c. An acknowledgement by the congregation that financial support of the greater church is a high moral obligation, the fulfillment of which visibly demonstrates the covenantal ties that bind us as one church of Jesus Christ
- d. Information as to the extent to which the congregation has participated, and plans to participate prospectively, in the fiscal life of the church
- e. If the particular congregation is giving less than 10% of its operating budget (not considering benevolent and capital spending) for unified giving to Hudson River Presbytery, Synod of the Northeast and General Assembly, that congregation is encouraged to plan for increased giving over a reasonable period of time to achieve that level of giving, with due consideration being given to the congregation's membership, its own reasonable budget demands, capital needs that must be met from regular giving within the congregation, special designated gifts or memorial gifts to the congregation that are restricted as to use and any other special circumstance that might be material.

### **2.3 Mortgages Less than \$50,000**

- 2.3.1 Mortgages to secure very small loans (those less than \$50,000) will be considered on an ad hoc basis. When such a request is made, the Property Committee will determine the information that it requires and advise the particular congregation.
- 2.3.2 Approval decisions will be made in concert with the HRP Capital Loan/Grant Fund which should be considered as a first resource.

### **2.4 Mortgages More than \$50,000**

- 2.4.1 The following requirements and process shall apply to all requests for approval of mortgages to secure loans in excess of \$50,000:
  - 1. Except in the case of mortgage loans that can be amortized by a particular congregation out of its general operating budget (less than 10% of the budget

annually) without operating at a deficit, a particular congregation must develop a plan to retire the indebtedness from a building fund campaign, or a series of not more than three, three-year campaigns, preferably conducted by the Church Financial Campaign Service of the General Assembly of the PC(USA) as fundraiser.

2. Except in extraordinary circumstances, a particular congregation must possess a cash reserve, or have already paid expenses that are a part of the project being considered, equal to 15% of the total project cost.
  3. Except in extraordinary circumstances (such as small projects or projects requiring loans of less than 50% of the project cost) and at the discretion of the PROPERTY COMMITTEE, a performance bond for the cost of the contract is required.
- 2.4.2 Proposed construction projects to be funded from mortgage loans shall provide for contingencies as follows:
1. For new construction, the amount approved must include an allowance of at least 5% of the contract price for contingencies, and the Property Committee suggests an additional 10% for furnishings.
  2. For renovation/remodeling, the amount approved must include an allowance of at least 15% of the contract price for contingencies.
- 2.4.3 If services of an architect are utilized, the Property Committee requires that the contract for architectural services include an agreement by the architect that if the bid cost exceeds the architect's estimate by more than 10%, the architect, at no additional cost, will revise the plans to bring the bid within 10% of the architect's estimated cost.

## 2.5 Step One – Preliminary Procedures

- 2.5.1 The first step in the process of obtaining Property Committee approval for a loan transaction is a consultation telephone call or email with the Property Committee Chair who may involve the Stated Clerk of Hudson River Presbytery. The request will then go to the Property Committee. The congregation will be directed to the information in this Property Committee Manual. The congregation will also be directed to the PC(USA) Investment and Loan Program, Inc. (<http://pilp.pcusa.org>).

## 2.6 Step Two – Preliminary Loan Analysis

- 2.6.1 Before a formal loan request may be submitted to the Property Committee, a Preliminary Loan Analysis will be made, to help the congregation evaluate its capacity to fund a project before it actually gets to the application process and before it gets too far along in the project design phase. This analysis will help congregation leaders get a snapshot of how much debt the congregation can handle and, even more importantly, how much debt would be comfortable without sacrificing mission and ministry opportunities.
- 2.6.2 In order to accomplish the Preliminary Loan Analysis, the following information shall be submitted to the Property Committee, as applicable: (It is suggested that a Presbyterian Investment and Loan program application be completed as this application requests all the information noted below. PILP will conduct a Preliminary Loan Analysis for inquiring congregations (see 2.7.1).)
- a. A brief description of proposed project



- b. Preliminary estimate of cost (if available)
  - c. Plan for retirement of loan (if developed)
  - d. Congregation statistics (for current year and 4 prior years):
    - i. Membership
    - ii. Average worship attendance
    - iii. Number of potentials giving units.
  - e. Financial Statements (for current YTD and 3 prior years):
    - i. Amount of pledges (and actual receipts) to operating budget
    - ii. Amount of pledges (and actual receipts) to capital campaign
    - iii. Other Income:
      - General fund – recurring
      - General fund – non-recurring
      - Building fund income (not pledged)
    - iv. General operating expenses
    - v. Capital project expenses
- 2.6.3 The information required must be readily ascertainable from the financial statements as presented, or the congregation will be asked to provide the required information in narrative form and to reconcile the amounts provided to the financial statements.
- 2.6.4 A congregation is well-advised to work through a preliminary analysis with the Property Committee before beginning planning or fund-raising to determine the rough parameters of a possible loan. In such a case, some of this information will not have been developed – the analysis will be more in the nature of what amount of a loan the congregation can reasonably expect to be able to service.
- 2.6.5 Upon receipt of all information, an analysis will be made. The preliminary analysis is not intended as a substitute for the formal loan application process; rather it is designed to determine what a congregation might be able to do, or if plans that are already made are feasible. The Property Committee will be in conversation with the congregation for further information as required during this process.
- 2.6.6 Other factors that might be considered, and as to which information might be required, include but are not limited to the following:
- a. Stability of membership
  - b. Potential discouragement associated with multiple year capital campaigns
  - c. Results of prior capital campaigns
  - d. Possibility of project being completed in phases
  - e. Availability of reserve funds that could be used to mitigate cash flow swings
- 2.6.7 If a capital campaign has not already been conducted, except in the rare instances outlined above, the next step in the process will be for the congregation to conduct a capital campaign. The Preliminary Loan Analysis will have helped to determine the extent to which a successful capital campaign will be necessary to enable the congregation to proceed with its planned project. The formal loan application process may proceed, as outlined below, but approval will almost always be predicated on the successful completion of any required campaign.

## **2.7 Step Three – Formal Loan Application**

- 2.7.1 After the Preliminary Loan Analysis is completed, if the congregation elects to proceed with its planned project and loan application, it shall fully complete a PILP loan

application and submit it to the Property Committee, together with all required attachments and supporting information. Property Committee requires a completed PILP loan application whether or not the congregation uses PILP as a lender. The PILP loan application can be found on the PC(USA) PILP website.

- 2.7.2 If the congregation decides to apply to Hudson River Presbytery for a loan, it shall submit the PILP loan application and attachments to the Presbytery for approval.
- a. There will be conversations among the congregation, PILP and the Property Committee leading toward the submission of the formal application.
  - b. PILP may have other requirements that must be met before the application can be submitted.
  - c. The Property Committee encourages congregations to use the loan facility made available through PILP, but the final decision as to the lender is that of the Session and congregation, subject to approval by the Property Committee.
  - d. All loan terms and associated costs should be considered, rather than focusing strictly on the immediate interest rate.
  - e. PILP charges no prepayment penalty, its loan closing costs are almost always less expensive than those of commercial lenders, and, in the unfortunate event that problems arise, PILP has a common interest with the congregation and the Presbytery that is not found when dealing with a commercial lender.
- 2.7.3 In addition to the information required for the PILP loan application, the congregation should also submit these additional items to the Property Committee:
- a. Loan Transaction Application (see Forms)
  - b. Copy of contract for architect's services and estimate of cost
  - c. Certification of Session record approval from the Stated Clerk
  - d. Preliminary Loan Analysis, if not previously submitted (see Section 2.6.2)
  - e. All Session minutes related to the loan transaction or construction project
  - f. All congregational meeting minutes related to the loan transaction or construction project
  - g. Commitment letter from commercial lender if PILP is not the lender of choice
  - h. The written statement required in Section 2.1.3

## **2.8 Step Four – Property Committee Review of Application**

- 2.8.1 After receiving the completed PILP loan application and the other materials listed in Section 2.6 of this Manual, the Property Committee will review the application, and confer with the designated representative so that any questions or concerns may be addressed.
- 2.8.2 All required information must be submitted at least two weeks prior to the regular Property Committee meeting at which the request will be considered. The Property Committee may request an additional meeting to consider further information, or it may consider that action in a later telephone conference call.

## **2.9 Step Five – Approval of Application**

- 2.9.1 If the loan is approved by the Property Committee, the congregation will be advised and may proceed to the loan closing as appropriate.
- 2.9.2 If a commercial lender is involved, and if a guaranty from Hudson River Presbytery is required, any documents requiring Presbytery signature must be submitted for review

and approval by the Presbytery's attorney before a closing is scheduled and as soon as possible. Further approval of Hudson River Presbytery and/or Hudson River Presbytery Council will be required for loans in excess of \$250,000.

- 2.9.3 All fees incurred by Hudson River Presbytery for that review shall be borne by the congregation.
- 2.8.4 Until all documents requiring execution by Hudson River Presbytery have been approved, the closing should not take place.
- 2.9.5 There are instances in which a commercial lender may require some agreement that Hudson River Presbytery cannot accept; if that should happen the congregation may have to proceed without Presbytery guaranty or find another lender.

## **2.10 Step Six – Post-Loan Closing Procedures**

- 2.10.1 After the loan is closed, additional information must be submitted to the Property Committee to complete its record, including the following items:
  - a. Copy of all loan documents
  - b. Copy of construction contract
  - c. Any post-closing item required by PILP, or any other lender
  - d. Any other item requested by the Property Committee as a condition of its approval.
- 2.10.2 If the construction bid exceeds the loan amount approved by the Property Committee, then the congregation must apply for the approval of that increased loan level at a subsequent Property Committee meeting.

## **2.11 Loan Refinancings, Modifications, or Extensions**

- 2.11.1 All refinancings, modifications or extensions of loans previously approved by the Property Committee require further approval. Unilateral actions by PILP to reduce the interest rate on loans approved by the Property Committee do not require further approval, provided that no other term of the loan is changed in any regard.
- 2.11.2 When approval is required, the Property Committee should be contacted well in advance of the time of any required action to allow for proper review and analysis of the revised transaction. Notification at least two weeks before the Property Committee is recommended for action on a request. The following information should be submitted:
  - a. Loan Transaction Application (see page 19)
  - b. A statement as to the remaining balance, the interest rate and the monthly or other periodic payment for the existing loan
  - c. A statement of the new loan amount, the interest rate and the monthly or other periodic payment
  - d. A copy of any agreements or documents to be executed in connection with the refinancing, modification, or extension.
  - e. A copy of the Session and congregational meeting minutes where the refinancing, modification or extension was approved.
  - f. A statement as to the reasons for the refinancing, modification, or extension, together with an explanation of any benefit and/or detriment to the congregation as a result of the modified loan
  - g. Financial statement for the current year to date and for the prior year.

The Property Committee may require additional information as it deems necessary.

- 2.11.3 Any loan documents that require execution by Hudson River Presbytery must be reviewed and approved by the Presbytery's attorney and all costs of that review shall be borne by the congregation. The refinancing, modification or extension may not be closed until the Property Committee has approved the transaction.

### 3.0 Sales and Leases

Here you will find:

- Considerations for selling congregational property
- Considerations for leasing congregational property
- Nesting or Partner Worship Communities
- Information on cell tower leases
- Utility Easements

#### 3.1 Sale of Real Property – Used for Worship

- 3.1.1 The sale of property used for the purpose of worship requires the vote of Hudson River Presbytery itself. The Property Committee will make a recommendation to Hudson River Presbytery regarding the sale of such property. In order for the Property Committee to make a recommendation to the Presbytery, the congregation shall supply the information required in 3.2.1 and such other information as the Property Committee feels is reasonably necessary.

#### 3.2 Sale of Real Property – Not Used for Worship

- 3.2.1 The sale of property not used for the purpose of worship requires only consideration at a Property Committee meeting. Information to be supplied includes:
- a. Propose sale price
  - b. Professional appraisal
  - c. Legal description of the property
  - d. Any deed restrictions
  - e. Real estate appraisal
  - f. All financial arrangements with the buyer (if available at the time). Please provide it to the presbytery after the sale in order to complete the record.
  - g. A statement about how the sale will affect the ministry and mission of the congregation
  - h. If a manse, what the long-term housing arrangements will be for the present or future pastoral leadership
  - i. How the proceeds from the sale will be used in the congregation's ministry plan
  - j. Copy of the congregational meeting minutes approving the property sale
- 3.2.2 A congregation contemplating the sale of a manse should be aware that tax laws may change rendering the value of provided housing or a housing allowance taxable to the minister. If that happens, and if the congregation increases the minister's compensation to cover the income tax on that heretofore untaxed benefit, it is entirely possible that the financial cost to a congregation would be less from providing a manse than in providing a cash housing allowance. The consequences of such a change should be considered by the Session before the decision is made to sell a manse.

#### 3.3 The Leasing of Real Property – Worshipping Communities and Other Purposes

- 3.3.1 “A congregation shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the presbytery transmitted through the session of a congregation” (Book of Order, G-4.0206 [b])
- 3.3.2 Prior to approving any lease for more than five (5) years, the Property Community must be reasonably satisfied that the lease will not adversely affect the ministry or witness of the congregation seeking approval of the lease.
- 3.3.3 Congregations that have existing signed lease agreements dated before January 1, 2021, are grandfathered for lease approval, but shall send a copy of the existing lease to the Property Committee.
- 3.3.4 Since the Book of Order defines a wedding as a service of worship, the congregations of Hudson River Presbytery are given permission to lease space for the celebration of a wedding or a service celebrating the renewal of marriage vows as approved by the respective Session of a congregation. This paragraph constitutes the required written permission.

### **3.4 Churches with Nested/Partner Worship Communities**

- 3.4.1 The Book of Order requires Presbytery approval for all use agreements involving ANY worship service in ANY part of your facility with other communities of faith.

### **3.5 Cellular Telephone and Communication Leases**

- 3.5.1 Cellular telephone and communication leases must be reviewed and approved by the Property Committee before final lease signing. The congregation will submit a copy of the lease agreement and the minutes of the congregational meeting and the Session meeting that authorized entering the lease to the Property Committee for approval.  
Congregations that have existing signed lease agreements dated before January 1, 2021, are grandfathered for lease approval, but shall send a copy of the existing lease to the Property Committee.
- 3.5.2 Prior to approving any cellular telephone or communications equipment leases, the Property Committee must be reasonably satisfied that the lease will not adversely affect the ministry or witness of the congregation.
- 3.5.3 Applicants for approval must submit copies of local regulatory approval.
- 3.5.4 Lease terms must include clauses ensuring that tenants pay any property taxes resulting from the lease and include penalty clauses for non-payment.
- 3.5.5 Leases should be no longer than five years to comply with BOO (G-4.0206). Termination clauses should be easily activated by the leasing church entity.
- 3.5.6 Placement of utility lines, antenna installations and auxiliary equipment must be specified before lease signing. Options for additional space/equipment location/installation should be carefully articulated including terms of additional compensation.
- 3.5.7 Clear terms should be delineated regarding requirements and restrictions regarding access to equipment (i.e., to protect worship times, congregational activity and children who might be present).

### **3.6 Right-of-Way or Utility Easements**

3.6.1 Right-of-way or utility easements require the approval of the Property Committee.

Requests for approval shall include:

- a. Diagram of the planned easement
- b. Statement of financial arrangements of such a contract
- c. Legal description of the property
- d. Copy of the congregational meeting minutes approving such a transaction
- e. Statement concerning how the granting of this easement might impact the congregation's ministry

## 4.0 Cemeteries

- 4.1 Churches which own cemeteries should pay careful attention to New York State law governing cemeteries. See details here: <https://www.dos.ny.gov/cmtty/cemlaw.html>.
- 4.2 Churches with active cemeteries (lots continuing to be sold or sold lots being used for burials) should be cognizant of the responsibility to maintain a fund for continuing cemetery maintenance.
- 4.3 In the event a cemetery is no longer active and in use, NY law allows for transfer to the local town by abandonment upon acceptance by the town council.
- 4.4 Property Committee highly recommends congregation consider setting up a Cemetery Association.

## 5.0 Church Manses

### 5.1 Preamble

Many churches in the Presbytery of Hudson River have a manse, or manses, which are provided to the Pastor or Associate Pastor, or both, during their service at the church.

Because such manses need to be properly maintained and operated by the church on an ongoing basis so as to provide a safe, dry, warm, livable place for the occupants; and,

because such manses need to also be maintained and operated to comply with current applicable laws, rules, regulations and ordinances;

because the condition of a manse is an important factor in both retaining and attracting a pastor;

because manses in Hudson River Presbytery are most often older buildings and there is a history of lead paint exposure in HRP manses; and

the Presbytery of Hudson River believes that one of its responsibilities is to partner with member churches within the Presbytery, to partner in caring for pastors and families and to be stewards of the church properties.

### 5.2. Policy

The Presbytery of Hudson River establishes the following Manse Inspection Policy:

While a manse is occupied by a pastor during an ongoing call:

5.2.1. A committee of Session will annually visit the manse and consult with the pastor regarding maintenance needs. A report of this visit will be shared with the whole session and with the Committee on Ministry.

5.2.2. While a manse is empty, in preparation for a new occupant:

- a. During the time in-between installed pastors or long-term stated supply pastors, a professional home inspection shall be performed by a licensed home inspector with the presbytery bearing  $\frac{1}{2}$  of the expense up to a maximum of \$500. The inspection report is to be submitted to the Presbytery. A member of the Property Committee and a member of the church should be invited to attend the inspection. Lead testing and Radon testing will be conducted where indicated by the inspector.
- b. No new call that includes a manse shall be approved unless all required deficiencies noted in the Inspection Report are remedied to the written satisfaction of the Property Committee, the Committee on Ministry and the congregation's Session.

## 6.0 Church Buildings

### 6.1 Purchase of Land/Buildings

In light of recent opinions from the office of the General Assembly, any purchase of land must be approved by the Presbytery (with advice from the Property Committee, Finance Committee and Council). This is because almost all parcels in our Presbytery have utility easements with the possibility of long-term restrictions. Records should be reviewed back to 1900 as many of these easements were granted when electric, water, gas and telephone lines were installed and may not be recorded on current titles.

### 6.2 Historic District or historic Landmark Designation

Becoming part of an Historic District or designated an Historic Landmark requires Presbytery affirmative action. Either of these designations can involve restrictions on an individual church's ability to make changes or repairs. Your church building has great emotional and spiritual value but inclusion in a district or as an historic landmark may greatly restrict the church's ability to make improvements or changes (i.e., addition of solar panels or energy efficient windows). Please enter into any conversations about this with caution and keep the Presbytery Stated Clerk and the Property Committee informed. [As an example: The West End Presbyterian Church in NYC has been a designated Historic Landmark, but the congregation was reduced to 10 members and all the church resources were spent on building upkeep. The church was in the difficult process of petitioning removal of the Historic Landmark status as they hoped to sell the building for development and space for the congregation to continue meeting.]

Amended 9 April 2013 and 13 October 2020

# Sale of Real Property Application

The Property Committee acts on request to “sell, mortgage or otherwise encumber” or to lease the real property of congregations. The sale of real property used for the purpose of worship requires the vote of Hudson River Presbytery itself. Before submitting application, please read section 3.1 and 3.2 of the Manual.

**Date:** \_\_\_\_\_  
**Name of Congregation:** \_\_\_\_\_ of \_\_\_\_\_, New York  
**Clerk of Session:** \_\_\_\_\_  
**Contact Information:** \_\_\_\_\_  
**Date of Approval at Congregational Meeting:** \_\_\_\_\_

**Please Attach the Following Information:**

1. Legal description of the property
2. Sales price or asking price
3. Professional Appraisal
4. If the sales price is less than 80% of the estimated or appraised value, lease attach explanation.
5. For what purpose will the funds resulting from the sale be used?
6. Is the sale to a congregation member, a relative of a congregation member?
7. Is the sale to a person with any other relationship to the congregation? If so, please describe.
8. If a manse, what long-term housing arrangements will be provided for pastoral leadership?
9. Copy of the congregational meeting minutes approving the property sale
10. Attorney who will be filing the application for approval with the Superior Court of the County involved.

**Attach all items required in Section 3.0 of the Manual as applicable.**

**Submit Application to:** Stated Clerk and Property Committee Chair



# Loan Transaction Application

Includes Refinancings, Modifications, or Extensions

**Date:** \_\_\_\_\_

**Name of Congregation:** \_\_\_\_\_ of \_\_\_\_\_, New York

**Type of Transaction (circle one):**    **New Loan**                      **Refinance/Modification/Extension**

**Date of Approval at Congregational Meeting:** \_\_\_\_\_

**Clerk of Session:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Other Contact (identify):** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Lender:** \_\_\_\_\_

**Lender Representative:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Attach all items required in Section 2.6.2 of the Manual as applicable.**

**Submit Application to:**    **Stated Clerk and Property Committee Chair**