

Process for requesting permission to sell or encumber real Property within the Diocese of Northern California

Per Diocese Canons, church real property may not be sold or encumbered or without prior written approval from the Bishop and Standing Committee. See Canon 21, Section 21.3.3. Do not list for sale or encumber real property belonging to your congregation until you have obtained written approval. When the Vestry or Mission Committee discerns that your congregation desires to sell or encumber any real property in the Diocese of Northern California, they must first provide the information set forth below to the Diocese Property Committee, a subcommittee of the Diocese Board of Trustees. The committee's contact representatives are the chair, Suzanne Phinney, slphinney04@gmail.com or Kati Braak, Diocesan Director of Operations, Kati@norcalepiscopal.org. Suzanne or Kati will respond to you within two business days with the Property Committee's requirements for approval of the sale. In most instances the required documents and information are as listed below:

Property Committee requirements for the request to sell or encumber property within the Diocese of Northern California.

1. Form a team in your congregation to engage the process. It should include leadership of both clergy and lay.
2. Prepare all requested documents and mail or email them to Kati Braak at the Office of the Bishop (kati@norcalepiscopal.org). The Office of the Bishop collects and distributes these documents on behalf of the Property Committee, Bishop and Standing Committee. Along with the documents, please provide a cover letter which will include the members of your team, including their congregational position if one is held.
 - a. A cover letter (include members of your team and congregational position if applicable).
 - b. A description of the property to be sold or encumbered with photographs.
 - c. The approximate value of the property to be sold or encumbered.
 - d. State the reason for the sale or encumbering of the property.
 - e. Report existing financing on the property, if any.
 - f. Will the sale of this property in any way affect the overall value of the remaining properties excluding the value of the property to be sold?
 - g. State how will the funds from the sale or loan will be used.
 - h. State whether there will be provisions in the sale agreement as to the future use of the sold property i.e., land use agreements?
 - i. Provide the property committee with the past three years of financial statements including balance sheets, investments, outstanding loans or contracts, all income sources and amounts. This must include the most recent operating statement and balance sheet.
3. The Property Committee meets on an "as needed" basis. Once the committee has received all of the required documents and information, a meeting will be scheduled to discuss the proposed sale. Members of the congregation's leadership team will be notified of the meeting time and place.

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3. *Continued*: Decision making individuals from the team may be asked to participate in the meeting to provide additional information as needed. The Property Committee meeting will be scheduled within a week of receiving the completed packet of requested documents and information (depending on individual's availability). Most meetings are held by Zoom.

Next steps following Property Committee Meeting.

The Property Committee will review the request and materials presented and make recommendations to the Bishop and the Standing Committee as to whether to recommend approval, not to approve at this time, or if additional information should be obtained before a recommendation can be made. Note that the Property Committee acts in an advisory capacity only. The final decision and approval of the sale must be rendered by the Bishop and Standing Committee.

- A. The Standing Committee and Bishop will review the proposal (all requested documents) as well as the recommendations of the Property Committee and will decide on one of the three following actions:
- 1) Approve the request to sell Property within the Diocese of Northern California
 - 2) Not approve to sell Property within the Diocese of Northern California at this time
 - 3) Not enough information/data to decide at this time

Best Practice of Bishop and Standing Committee for churches in Clergy Transition.

It has been the practice of the Bishop and Standing Committee to put on hold requests for purchasing and/or selling property while a church is in clergy transition. This practice allows for the new Rector/Priest in Charge to acclimate to their new surroundings and work with vestry on visioning and purpose.

Canons of The Episcopal Church on the selling of real property.

Section 1.7.4 of Canon 1 from The Episcopal Church Constitutions and Canons, prohibits encumbering or selling real property belonging to individual parishes, congregations, missions or institutions without the written consent of the Bishop and Standing Committee of the diocese where the property is located.