



A FUTURE WITH HOPE

UNITED METHODISTS
OF GREATER NEW JERSEY

2019 Property Summit

Rick Reinhard, Executive Director
A Future With Hope and Nehemiah Properties

Dimensions of Problem/Opportunity

- \$1.4 billion in value
- 530 locations
- Property conditions
- Market conditions
- Local expertise
- Lack of good data
- Local church control of property
- System is set up for “fairness” not “efficiency”



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Risk

- \$9 million in unpaid billables
- 42 congregations owe \$90,000 or more
- 95 “high-risk” churches (5-9 risk factors)
- 213 “medium-risk” churches (3-4 risk factors)



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Risk Factors

- 2018 accounts receivable arrearage
- 2018 shared ministries paid: <75%
- Average worship attendance: <50
- 5-year average worship attendance decline: >25%
- Debt: >\$7K per attendee
- Debt: >\$4K per attendee and average worship attendance <100
- Operating expense: >\$1,500 per attendee
- Pastor compensation: >\$1K per attendee
- Income: < operating exp. + pastor comp.



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Current Roles

- **Trustees** | General oversight including policy, guidelines and approval of actions outside of policy or guidelines
- **Council on Finance and Administration** | Oversight of finances
- **District Boards on Church Location and Building** | General approval of church property and technical input for repurposing
- **District Superintendents/Cabinet** | Key decision makers on closing, etc.



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Current Roles

- **A Future With Hope** | Evaluation, pre-development, programming (Hope Centers)
- **Nehemiah Properties** | As needed for brick and mortar project management, can provide technical assessment for Trustees and District Boards of Church Location and Building
- **Resurrection Gardens** | Planned GNJ association of church cemeteries
- **Property staff**



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Staff – Properties Team

- Manage roster of potential closures
- Evaluate, repair and sell closed properties
- Develop and update strategies with district superintendents
- Monitor nine district boards of church and location
- Staff 213 processes
- Manage properties database/GIS



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Staff – A Future With Hope and Nehemiah

- Evaluate properties for potential redevelopment
- Manage redevelopment projects
- Develop multi-church strategies in urban areas
- Manage studies (transit-oriented development, etc.)
- Assist in fundraising



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Staff – A Future With Hope and Nehemiah (Hope Centers)

- Evaluate churches and communities for Hope Centers
- Designate Hope Centers
- Provide programming for Hope Centers
- Assist in fundraising



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7 Categories of At-Risk Properties

1. Closing or closed churches in high-demand markets.

Actions

- Close, secure, appraise and sell (or develop agreements among GNJ, Nehemiah and developer to redevelop)
- Currently 3
- *Requires intervention by AFWH/Nehemiah*



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Categories of At-Risk Properties

2. Closing or closed churches in low-to-moderate demand markets.

Actions

- Close, secure, appraise informally, hire realtor, sell
- Currently 12



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Categories of At-risk Properties

3. Closing or closed churches in no-demand markets.

Actions

- Close, secure, meet with community leaders, develop and implement creative disposition strategy
- Currently 3
- *Requires intervention by AFWH/Nehemiah*



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Categories of At-Risk Properties

4. Struggling churches in high-demand market.

Actions

- Assess redevelopment potential, develop preliminary plan, develop agreements among GNJ, Nehemiah, church and developer to redevelop
- Currently 3
- *Requires intervention by AFWH/Nehemiah*



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Categories of At-Risk Properties

5. Struggling churches in no-demand or low-to-moderate-demand markets.

Actions

- Monitor
- Many churches



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Categories of At-Risk Properties

6. Successful churches with market-rate development or building-reuse opportunities.

Actions

- Meet with pastor, congregation, DS to advise, meet with District Committee on Church Location and Building
- Project manager as necessary
- Invest as prudent
- Currently 2
- *Requires intervention by AFWH/Nehemiah*



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Categories of At-Risk Properties

7. Other (including Hope Centers)

Actions

- As needed
- Currently 2
- *Requires intervention by AFWH/Nehemiah*



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Action Items

- More effective 213 processes
- Developing service agreements between local churches and GNJ, AFWH, Nehemiah Properties
- Finding resources:
 - evaluate condition of church properties
 - evaluate potential of church properties
 - invest in good development projects



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