

Diocesan Policy Regarding Sale of Real Property

The Articles of Incorporation, Canons and Bylaws of the Diocese require the written consent of the Bishop and Standing Committee for any sale of real property. The sale of property held in the name of the diocese (The Episcopal Church in Hawai'i – TECH) also requires the consent of Diocesan Council; this includes all property held by unincorporated parishes and missions. To assist congregations that plan to dispose of real property, the Bishop, Standing Committee, and Diocesan Council have adopted the following policy. It has been designed to make the consent process work as smoothly as possible.

General Procedures

Parishes and missions should include this required consent in their planning for any sale or encumbrance. The Diocesan Council and Standing Committee meet monthly. Requests for consent should be sent, in writing and in triplicate, to the Bishop, to the Secretary of the Standing Committee and to the Diocesan Treasurer at least one month in advance of their meeting dates. Consult the diocesan website for a calendar of meeting dates.

Where required, Diocesan Council will handle sale requests in the first instance; the Resource Development Department will review the request and make a recommendation to the full Council. Upon approval by Diocesan Council, requests will be forwarded to Standing Committee for its action, and upon approval by Standing Committee to the Bishop for his action.

As long as the specific items in the policy are in order, it is possible for consent to be given before a sale to a specific buyer is in place.

Information to be provided

A request for consent should be accompanied by:

1. A statement of the reasons for the sale.
2. A statement of the use (s) of the sale proceeds.
3. If the sale involves clergy housing, a statement as to what alternative arrangements have been made for clergy housing, both in the near and long term future.
5. A history of the use of the property.
6. A current title report, to be reviewed for any legal restrictions on the uses or sale of the property (landmark status, deed or donor restrictions).

7. The date of acquisition of the property and its acquisition cost or value.
8. A statement of the estimated minimum “net” price (after payment of commissions, existing mortgage loans and estimated closing fees) to be received by the parish.
9. A certificate of the Clerk to the effect that a Vestry/ Bishop’s Committee meeting was duly held in accordance with its by-laws and that, at the meeting, a resolution (the text of which should accompany the certificate) was properly adopted, which authorizes the sale and sets forth the details thereof as referenced in #1-8.

Policy Considerations

In considering whether or not to approve the sale or alienation of real property, the Diocesan Council and Standing Committee shall consider the following factors:

1. The potential appreciation in value of the property over a time of 20 to 50 years, as well as the costs of ownership of the property (taxes and management costs) over this time frame, always taking a long-term view of the decision and its consequences.
2. Alternative opportunities, both for the land as investment and for the use of the asset value of the property, seen in the context of the long-term mission of the congregation and the Diocese.
3. The higher long-term value of land, as distinct from buildings and improvements.
4. The origin of the property, noting in particular any historical or cultural significance.

Form of Consent

The Bishop and the Secretaries of Diocesan Council and Standing Committee will send written consent within thirty days after their respective actions. In each case, the consent may contain a statement of any terms governing that consent.

Adopted by the Diocesan Council on July 15, 2006

Adopted by the Standing Committee on August 11, 2006