

**Report From the Administrative Commission on Congregational Property**  
9/18/2023

***Important Information for Churches***

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**G-4.0206 Selling, Encumbering, or Leasing Church Property from the Book of Order**

**a. Selling or Encumbering Congregational Property**

A congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the congregation.

**b. Leasing Congregational Property**

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 the congregation.

**All leases executed by NCP Sessions must contain the following language:**

"Notwithstanding anything contained in this Lease/License to the contrary, in the event that the Landlord as a religious organization is dissolved, Lessee or the National Capital Presbytery may terminate this Lease/License, provided that notice of such dissolution is provided to Lessee at least ninety (90) days prior to the anticipated date of dissolution, and (ii) the Lease/License shall not terminate for ninety (90) days after the date of such dissolution unless otherwise agreed by the Parties."

The Presbytery has empowered the Administrative Commission on Congregational Property with the powers of an Administrative Commission to consider and approve requests from churches to lease, sell or encumber the real property of a church. Any action in this regard by a congregation without the Presbytery's permission will not be recognized as legally valid.

**If your church is considering leasing, selling, or encumbering real property** please contact the Director of Business Affairs, Heather Deacon, [hdeacon@thepresbytery.org](mailto:hdeacon@thepresbytery.org).

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- Kirkwood Presbyterian Church (Springfield, VA) – June 13, 2023

Approved a request by Kirkwood Presbyterian Church to sell their manse (non-worship property) as follows:

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) **approves** Kirkwood Presbyterian Church’s request to sell their non-worship property located at 8213 Donset Drive, Springfield, VA to their current pastor. ACCP recommends Kirkwood Presbyterian Church obtain a pre-sale appraisal (preferably through the same bank as buyer) to ensure fair market value of property before sales contract is finalized. Approval contingent upon receipt and review of all closing documents, purchase/sale agreement, appraisal and title search as outlined in the ACCP Manual.

- Fairfax Presbyterian Church (Fairfax, VA) – August 24, 2023

Approved request by Fairfax Presbyterian Church to subdivide and convey a portion of non-worship property for the purpose of building ten affordable housing units as follows:

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) approves all resolutions as presented in the accompanying document drafted and reviewed by NCP legal counsel, John Hagner, titled “Administrative Commission on Church Property of the National Capital Presbytery Resolutions Approving the Development of the Glebe View/Habitat Townhomes Project By Fairfax Presbyterian Church and the Subdivision and Conveyance of the Project Land to Glebe View, Inc. and Granting of Easement and Other Rights for the Project Development and Possible Further Expansion of the Church Parking on Another Part of the Church Land” as requested by Fairfax Presbyterian Church.

ACCP further resolves to send said document to Leadership Council for subsequent approval to ensure the conveyance of the land and granting of easements are valid for purposes of satisfying the tile company’s underwriting requirements.

- Kirkwood Presbyterian Church (Springfield, VA) – August 24, 2023

Approved a request by Kirkwood Presbyterian Church to waive the contingency requiring an appraisal be received and reviewed as it relates to sell of non-worship as follows:

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) waives the contingency that an appraisal be received and reviewed as it relates to its approval of Kirkwood Presbyterian Church to sell non-worship property located at 8213 Donset Drive, Springfield VA to their current pastor. Original approval took place at the June 13, 2023 ACCP meeting and text of that motion is listed below:

*Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) grants approval for Kirkwood Presbyterian Church to sell their non-worship property located at 8213 Donset Drive, Springfield, VA to their current pastor. ACCP recommends Kirkwood Presbyterian Church obtain a pre-sale appraisal (preferably through the same bank as buyer) to ensure fair market value of property before sales contract is finalized. Approval contingent upon receipt and review of all closing documents, purchase/sale agreement, appraisal and title search as outlined in the ACCP Manual.*

**ADMINISTRATIVE COMMISSION ON CHURCH PROPERTY  
OF THE NATIONAL CAPITAL PRESBYTERY  
RESOLUTIONS APPROVING THE DEVELOPMENT OF THE  
GLEBE VIEW/HABITAT TOWNHOMES PROJECT  
BY FAIRFAX PRESBYTERIAN CHURCH AND THE  
SUBDIVISION AND CONVEYANCE OF THE PROJECT LAND  
TO GLEBE VIEW, INC. AND GRANTING OF EASEMENT AND OTHER RIGHTS  
FOR THE PROJECT DEVELOPMENT AND POSSIBLE FUTURE EXPANSION  
OF THE CHURCH PARKING ON ANOTHER PART OF THE CHURCH LAND**

Presented at the Special Meeting on August 24, 2023

**WHEREAS**, the Administrative Commission on Church Property (“**ACCP**”) approved on February 26, 2019, Proposed Resolutions submitted by Fairfax Presbyterian Church (“**FPC**”) for the development of up to ten affordable townhomes in the northeast corner of the FPC parking lot (“**Project**”) to be developed by Habitat for Humanity of Washington, D.C. and Northern Virginia or its wholly owned affiliate (“**Habitat**”) and occupied by households earning less than 80% of the area median income. Such Proposed Resolutions authorized a ground lease of the land for the Project from National Capital Presbytery, Inc. (“**NCP**”) to an entity formed by FPC which would sublease the land for the Project to Habitat which would sub-sublease eight of the individual townhomes to qualified households and two of the individual townhomes to Homestretch Inc. or a housing assistance provider providing similar services (“**Homestretch**”) to house homeless families transitioning from homelessness to self-sufficiency.

**WHEREAS**, the FPC Affordable Housing Implementation Team, now the Glebe View Team, with its partners proceeded with the planning and design of the Project and obtained the necessary entitlements and rezoning approvals from the City of Fairfax on or about November 15, 2022. From the original 8.25152 acres of the FPC land owned by NCP (“**Existing Church Land**”), such approvals designated 1.19904 acres for the Project (“**Project Land**”) and 0.20498 acres to be dedicated as part of the entrance drive to FPC named “Presbyterian Way,” leaving 6.84750 acres for use by FPC (“**Church Land**”).

**WHEREAS**, in early January 2023, NCP proposed a no-consideration conveyance of the Project Land to the FPC entity for the following reasons: (i) neither Fannie Mae nor Freddie Mac, the two sources of permanent loans for households occupying the townhomes, had pre-approved financing documents for the ground lease, sublease and sub-sublease structure and there were no assurances Fannie Mae or Freddie Mac would finance such ownership structure; (ii) both Fannie Mae and Freddie Mac will prohibit the ground lessor from terminating the ground lease for an uncured default and require the ground lessor to grant Fannie Mae or Freddie Mac the power to approve and/or enter into certain financing documents on the ground lessor’s behalf without its knowledge or approval of such documents; (iii) to eliminate the vicarious liabilities NCP would have as the Project Land owner for accidents, environmental contamination, and other claims; and (iv) to eliminate the administrative burden of monitoring the Project, responding to document requests, and making sure every interested party carried adequate liability insurance protecting NCP.

WHEREAS, in April 2023, the Session of FPC approved the conveyance of the Project Land to its entity to be named Glebe View, Inc. (“GVI”) and updated and submitted its Presentation on the Project to the ACCP for its special meeting on August 24, 2023. The goal of such Presentation and intent of these Resolutions are to provide, subject to the condition in the next paragraph: (i) all necessary approvals for FPC and its Glebe View Team to acquire the Project Land, to grant and receive all required easements and other property rights for the Project, and to develop, support and operate the Project; (ii) all necessary approvals for NCP to subdivide, site plan and convey the Project Land to GVI, to grant and receive all easements and other property rights on the remainder of the Church Land, to dedicate a portion of the remaining Church Land to the City of Fairfax for public street purposes, and to quit-claim certain land called “Love’s Outlet” if required by the City of Fairfax; and (iii) all necessary approvals for FPC to add additional parking spaces on the Church Land as shown on the Master Development Plan approved by the City of Fairfax on or about November 15, 2022 (“**Approved MD Plan**”).

WHEREAS, all approvals and authorizations in these Resolutions shall be subject to the “condition subsequent” that the respective counsel for FPC/GVI, Habitat, and NCP complete and agree upon/approve the documents listed in these Resolutions and any additional material documents required for the completion of the Project. Each counsel will not be required to approve any document his client is not a party to unless his approval is required in these Resolutions.

**NOW THEREFORE, BE IT RESOLVED**, by the ACCP in its exercise of its delegated authority as a commission of the NCP, that the following actions by NCP and FPC are hereby approved and authorized as an amendment to and expansion of the approvals of the Project granted by the ACCP on February 26, 2019:

- The formation of GVI by FPC with FPC or its Session or controlled designees being the “Class A” member(s). NCP will hold a special “Class B” membership interest in GVI which permits it to consent to any conveyance of the Project Land other than for affordable housing purposes and to receive a return of the Project Land if GVI ceases to exist. GVI will use reasonable commercial efforts to become qualified under Section 501(c)(3) of the Internal Revenue Code.
- The resubdivision of the Existing Church Land by NCP into the Project Land and Church Land with the granting of various easements on the Project Land and Church Land and dedication of 0.20498 acres for public street purposes.
- The approval of a site plan for the Project Land and Church Land by NCP in accordance with the Approved MD Plan, which may require NCP to enter into Proffers or some other agreements with the City of Fairfax consistent with the Summary of Commitments dated October 25, 2022.
- The conveyance of fee simple ownership of the Project Land by NCP to GVI for no consideration and the grant of certain specified easements and access delineated in the Approved MD Plan with the following understandings:
  - The Project Land will be used solely for affordable housing purposes, subject to standard lender financing requirements.
  - Specifically, Habitat, as ground tenant, must sublease at least eight townhomes to families that earn between 40% and 80% of area median

income, as calculated under standard HUD guidelines or successor guidelines, measured at the time of the sublease, and may sublease up to two townhomes to Homestretch to house homeless families transitioning from homelessness to self-sufficiency.

- If the Project ceases to be used for affordable housing, NCP or its successor will have the first right to reclaim the Project Land.
- FPC/GVI has requested that if the Church Land ceases to be used as a church, then NCP will notify GVI of its intent to dispose of the Church Land at least ten days before it is placed on the market. The ACCP is not approving this request as stated. The Chair of the ACCP and Director of Business Affairs of NCP will discuss this request with FPC and determine what notice or other right, if any, NCP is willing to provide to GVI of its intent to dispose of the Church Property.
- If required by the City of Fairfax and a title search does not report any ownership interest held by NCP, a no consideration, quit-claim conveyance by NCP to the City of Fairfax or its designee of the real property known as “Love’s Outlet.”
- The granting by NCP and GVI, with the joinder of FPC in certain instruments, of all necessary and appropriate easements and other real property rights and restrictions for the development and operation of the Project. FPC with respect to the Church Land and GVI with respect to the Project Land shall be obligated to perform the maintenance and other obligations under such easements and other real property rights in lieu of NCP.
- GVI entering into a Ground Lease of the Project Land with Habitat and joining in some or all agreements required by the lenders financing the individual townhomes in the Project. Except for commercially reasonable subordination, non-disturbance, attornment and/or recognition agreements, GVI shall determine what agreements required by lenders it is willing to enter into, if any. Habitat shall be responsible to construct and operate the Project with such assistance as FPC/GVI voluntarily provides.
- FPC expanding its parking on the Church Land as provided in the Approved MD Plan.

**BE IT RESOLVED, FURTHER,** that to effectuate the above resolutions, the following documents must be drafted, reviewed and approved by counsel for each of the parties to such documents plus counsel for NCP, GVI/FPC and/or Habitat as specifically provided below:

- Articles of Incorporation, Bylaws, Resolutions of the initial meeting of the Board of Directors of GVI, and IRS Form 1023 or other documents to qualify GVI under Section 501(c)(3) of the Internal Revenue Code. Counsel for both FPC and NCP must approve.
- Deed of Subdivision and Subdivision Plat for the Existing Church Land. Counsel for NCP, GVI/FPC and Habitat must approve.
- Site Plan and any Proffers and/or other agreements for the Project Land and Church Land. Counsel for NCP, GVI/FPC and Habitat must approve.
- Special Warranty Deed of the Project Land from NCP to GVI. Counsel for NCP and GVI/FPC must approve. If the Special Warranty Deed contains any other

agreements in addition to the no-consideration conveyance, counsel for Habitat must approve.

- Quit-Claim Deed of “Love’s Outlet,” if required. Counsel for NCP and FPC must approve.
- The instruments granting all easements and other real property rights and restrictions for the development and operation of the Project, including but not limited to Declaration of Easements, Declaration of Covenants, Conditions and Restrictions, individual utility easements, and individual trail easements. Counsel for NCP, GVI/FPC and Habitat must approve.
- Ground Lease of the Project Land from GVI to Habitat. Counsel for GVI/FPC and Habitat must approve. Counsel for NCP may review to confirm sole use is affordable housing and Habitat’s obligation to purchase any defaulted loan to the sublessee of an individual townhome before a foreclosure sale or deed-in-lieu that would void the affordable housing use restriction.
- Sublease of at least eight of the individual townhomes to families by Habitat, Sublease of up to two of the individual townhomes to Homestretch by Habitat, Master Subordination, Non-Disturbance and Attornment Agreement, and other financing documents for the Project or individual townhomes. Counsel for GVI/FPC and Habitat must approve or waive his approval right to individual documents.
- Agreements for expanding FPC’s parking on the Church Land as provided in the Approved MD Plan. Counsel for FPC must approve. Any financing documents creating a lien on the Church Land must be separately approved by the ACCP.

**BE IT RESOLVED, FURTHER,** that the Chair of the ACCP and Director of Business Affairs of NCP are hereby authorized and directed to take all reasonable and necessary actions and steps, to perform or cause to be performed by NCP’s officers, advisors and/or professionals all necessary and appropriate planning and due diligence investigations, and to execute, acknowledge and deliver all necessary and appropriate documents to facilitate the development of the Project on the terms and conditions in these resolutions and which are necessary or appropriate to carry out the spirit and intent of these resolutions.

**BE IT RESOLVED, FURTHER,** that the Chair of the ACCP and Director of Business Affairs of NCP, acting jointly with or without the advice of their counsel, are authorized to take such additional actions, beyond the specific actions described above, as the Chair of the ACCP and Director of Business Affairs of NCP may deem necessary, reasonable and appropriate in order to facilitate the development of the Project on the terms and conditions in these resolutions and which are necessary or appropriate to carry out the spirit and intent of these resolutions.