



The R.E.D.E.E.M.
Community Development Corporation
Established 2000
The First Baptist Church of Deanwood

**Newsletter Spring
2023**

**Update: Affordable
Housing Initiative**



Legal Rationale for firewall between the Church and REDEEM

- The R.E.D.E.E.M Community Development Corporation (CDC) established in 2000 is a charitable arm and nonprofit affiliate of the First Baptist Church of Deanwood (the “Church”).
- The CDC purpose is serving the Deanwood community and surrounding areas through outreach programs that meet their quality-of-life needs.
- In 2015, the IRS approved the CDC as a 501C3 nonprofit and the CDC assigned the Church in its corporate documents as the “Sole Member”, in which the Church approves its actions, receives regular reports, and is legally liable for the CDC due to this connection.
- In 2022, as part of an initiative to build affordable housing on Church owned property, the CDC was advised by its attorney to remove the Church as “Sole Member” and become a “Non-Member” corporation to ensure the Church has no risk and liability related to the affordable housing project.
- This action creates a firewall between the CDC and the Church, the CDC can act as the project Co-Developer, and facilitate Church project input even beyond the sale or ground lease of the property.

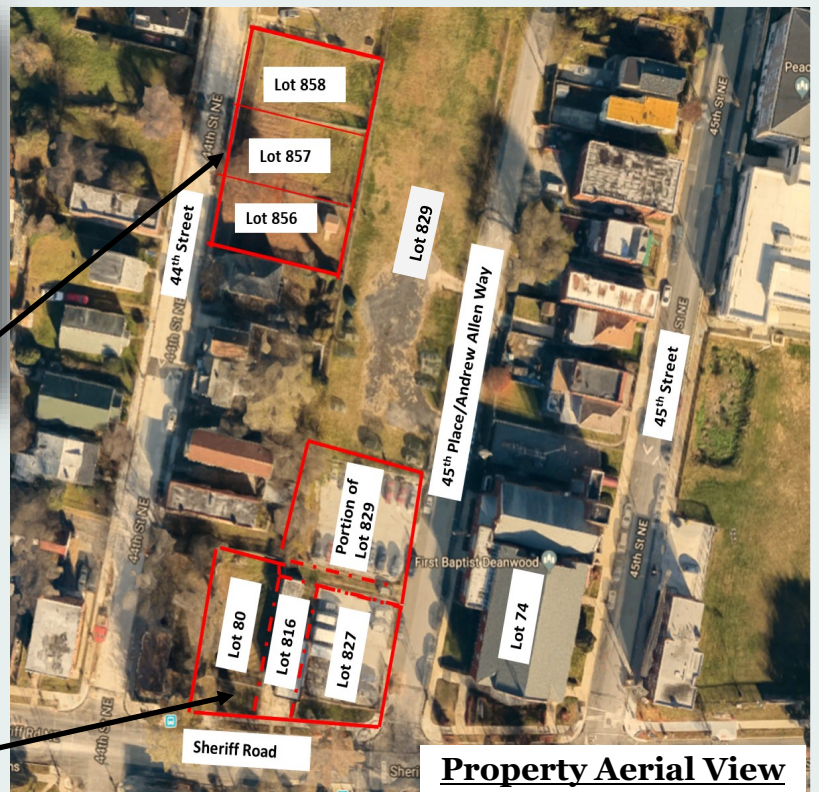
Development Partner Candidate

- Over the past several months, the CDC has been working with Usource, its Development Consultant, to identify a Development Partner to take the lead for the affordable housing project.
- Such a Partner would be the Developer and have the responsibility for rezoning, complete construction documents, financing, needed permits, construction, and property management.
- After discussions with several candidates, the CDC is prayerful that the Michaels Organization (TMO) can be the Development Partner.
- TMO is a national company that will bring extensive knowledge and expertise to this project, and is working on the Kenilworth Courts apartment (166 units) under construction on and completed the Ainger Place apartment (72 units) for the CDC affiliate of the Emmanuel Baptist Church in SE.
- As part of the TMO proposal they have demonstrated an understanding, adoption of the vision, goals and priorities of our project, and suggested the name for the apartments as “The Allen @ Sheriff”, after Rev. Andrew J. Allen, our former beloved Pastor.

**To the FBCD—embrace and pray for this project, which can be our legacy,
and review our updates intended to keep you informed.**



**6-Duplexes
for Site 1**



Property Aerial View



**45-50 Unit-
Apartment Bldg.
for Site 2**

A Few Factors Related to Property Sale or Ground Lease

- A ground lease will allow the Church to rent its property for a long period typically 75 to 99 years to a development partner to construct a building and receive regular payments.
- The development partner retains, rights to operate an agreed upon business on the premises and is responsible for related land costs, such as taxes, insurance, permits, and maintenance.
- When a development partner signs a ground lease agreement, they do not own the land, which is owned by the Church, they are only renting it, however, they own the built structure.
- A property sale represents a one-time transaction and afterwards, the Church relinquishes its full control of the property.
- For either property sale or ground lease with the development partner, the initial payment to the Church occurs at financing closing for the project, which is at start of construction.

The Next Steps are as follows:

1. The CDC will review the scenarios for the related payments on either a property sale and/or ground lease or to not proceed and make a recommendation to the Trustee Board.
2. If a recommendation is approved by the Trustee Board, it will be presented to the Joint Board, and afterwards a recommendation will be presented at a special meeting with the Church.
3. The Church will make the final decision on whether to proceed with the recommendation, and afterwards if approved a contract agreement between the CDC and TMO will be drafted.
4. The draft contract agreement, which will include the decision on the property will be reviewed for comment by the CDC Attorney, Morrison and Foerster and TMO's Attorney.
5. After all parties have agreed to the terms and conditions of the contract agreement, it will be executed, and the project will proceed.

Consider becoming a member of the R.E.D.E.E.M. CDC and contribute to its mission by calling our Secretary at 301-390-7571, see our website at theredeemcdc.org