

Town and Country Lutheran Church

Redevelopment Concept

Draft for Discussion – February 19th, 2020

Bethesda's Vision

- Create an inclusive, Christian multifamily rental community on excess church property, while preserving the church and other core buildings for Town and Country Lutheran Church's services and ministries.
- Forge a collaboration between Town and Country Lutheran Church and Bethesda Lutheran Communities that supports the ministries and financial sustainability of both organizations.
- Purchase approximately 4.5 acres of the 6.19-acre church campus located at 4049 Marconi Avenue, Sacramento, CA. Please see below for an aerial.
- Build a 3-4-story building with 125-175 apartment homes, depending on zoning and design factors. Explore options for shared residential and church off-street parking.
- House a mixed population of:
 - 75-80% for workforce housing or independent seniors (aged 55 and older).
 - Up to 20-25% for adults with intellectual and developmental disabilities.
 - The exact mix will depend on the market and financing resources available.
- Create an intentional Christian community through well-designed common space and ongoing faith-based activity programming that fosters interaction within the apartment community, with the Town and Country congregation and across the broader community.

Financing Strategy

- Bethesda will pursue a continued partnership with Lutheran Church Extension Fund (LCEF) on all financing matters.
- Bethesda will pursue affordable housing subsidies, such as Low-Income Housing Tax Credits, which will be from the State and local governments.
- The goal will be to make rents affordable to all households versus straight market rate rents. This may be subject to change depending upon market study, financial modeling and subsidy awards.
- Bethesda will develop an alternate financial model in case the affordable housing financing is not available.

Purchase and Redevelopment Terms

- Bethesda or a single-purpose subsidiary will be the Buyer and Developer.
- The purchase price will be determined based on market value.
- The purchase agreement will contain contingency periods to allow Bethesda to perform due diligence to determine the viability of the project, which will include efforts such as environmental and geotechnical studies, appraisal, market analysis, architectural design, neighborhood engagement and zoning approvals, and securing financing. Bethesda will incur significant costs during the contingency period and will require assurances from all parties that it has the exclusive right to redevelop the church campus during this period.
- Bethesda will keep Town and Country informed as the due diligence progresses and will seek input on the church's ministry space programming requirements to integrate into the design.
- Bethesda understands the gymnasium is frequently used by the congregation and will explore development concepts that retain the gymnasium if possible.

Anticipated Timeline

- Sign a Memorandum of Understanding to establish expectations by March 2020.
- Sign a Purchase Agreement by May 2020.
- Bethesda will start conducting due diligence in June 2020.
- Submit for affordable housing financing by June 2021.
- Close on the land sale on or before June 2022.
- Construction start Summer 2022.

Bethesda Background

- Bethesda Lutheran Communities is a 115-year-old Christian nonprofit organization with a mission to enhance the lives of people with intellectual and developmental disabilities through services that share the good news of Jesus Christ.
- Bethesda is a Recognized Service Organization (RSO) in the Lutheran Church Missouri Synod. Bethesda operates in 13 states, including California.
- The purpose of the Bethesda Cornerstone Village model is to create an inclusive Christian community with affordable rental options for persons with intellectual and developmental disabilities.

