

Grateful & Growing:



Being a Good Neighbor

Stewardship & Capital Campaign • St. Andrew's Episcopal Church

Frequently Asked Questions

What is the *Grateful & Growing: Being a Good Neighbor Campaign* all about?

This campaign is about extending and enhancing our stewardship of God's creation in our neighborhood. We will do this by finalizing the ownership of our newly acquired rental house, reducing the carbon footprint of our property, and increasing our ability to provide outreach services.

You are invited to learn more through a variety of virtual events including small-group informational sessions, church-wide Bible Studies and a prayer event. Additionally, you'll receive regular communications and publications about our campaign events, ways to participate, and our campaign progress.

Sunday, December 5th, will be our Commitment Sunday. On that day, each household will be invited to make a one-year pledge to our annual ministry program as well as a three-year pledge above and beyond regular offerings to support our capital campaign. The gifts received from our ***Grateful & Growing: Being a Good Neighbor*** Campaign will increase our capacity for ministry now and in the years ahead.

Why did St. Andrew's vestry choose to purchase this property last year?

This was a rare opportunity! Properties adjacent to the church seldom become available for sale. When they are sold, properties are often held for decades. It might have been many years before this property would be available again. Previous generations in our church have seized similar opportunities in acquiring the other three rental houses and securing additional off-street parking.

What are the advantages of the church owning this property?

This property acquisition:

- Provides 10 more parking spaces, which
 - Promotes the growth of St. Andrew's and
 - Allows us to be good neighbors by alleviating parking issues on neighborhood streets;
- Increases our capacity for partnerships with social service agencies to provide affordable rental housing;
- Enables us to replace fossil-fuel heating systems and appliances with efficient alternatives;
- Allows us to install solar panels on church buildings and rental houses;
- Strengthens our partnership of generations by investing now for future growth and environmental stewardship;
- Allows us to use one of the houses as a Rectory, if needed.

What was the cost of purchasing the property?

The purchase price of the property was \$755,000. In addition, improvements to the parking lot cost nearly \$8,000 to remove the fence between our properties, level the pavement and re-stripe the parking spaces.

What is our loan structure, and how do we plan to pay this off?

The previous owners of the property agreed to sell it to St. Andrew's off market in an all-cash deal. While an initial donation and a bequest from an estate were used to cover the earnest money and expenses of the transaction, St. Andrew's still needed to raise \$715,000 quickly to complete the purchase.

Due to the need to complete the purchase quickly and the fact that commercial banks are reluctant to lend to religious institutions, four grateful and generous funders, our "angel donors", volunteered to fund the purchase of the property with loans that were repayable within one year. The terms of these loans were very generous with low interest rates and gave us time to secure longer-term financing.

The Vestry applied for a loan from the Diocese of Olympia Capital Loan Program in December 2020. The Diocese approved the loan, which closed in February 2021. The loan amount is \$690,000 fully amortized over 10 years. The interest rate will be adjusted annually by the Diocese. Thus, the rate may well rise and increase our already high mortgage payments. The interest rate in 2021 is 2%. Whenever St. Andrew's makes a principal payment of \$10,000 or more, the loan will be re-amortized for the remaining period of the loan.

St. Andrew's has used the proceeds of the loan to pay back the angel donors and to cover expenses of the fundraising campaign.

What are the other goals of the Capital Campaign?

Jesus calls us to love our neighbors in the broad sense of the word. The campaign will fund improvements in our church building and rental houses that reduce our carbon footprint, helping us do our part to address climate disruption that impacts all of God's creation. Examples include replacing natural gas heating systems and appliances with efficient electric ones, installing solar panels, or installing electric vehicle charging stations. Once we have paid off our debt, we also hope to fund community outreach projects, such as housing for low-income families or Afghan refugees.

What is being asked of me to help meet the goals of our campaign?

To meet the financial goals of our capital campaign, each of us will be asked to commit a generous and sacrificial gift, above and beyond our regular giving.

Each of us is encouraged to prayerfully consider - and joyfully celebrate - the many blessings God has given us and the capacity we have for giving and sharing generously. The choice is ours to freely commit that which has been entrusted to us. Seek God's guidance as you consider these questions:

- To what extent does my giving truly reflect the value I have for St. Andrew's and the community?
- To what extent am I acting purposefully, intentionally, and faithfully in my giving?
- In what ways is my giving helping me to grow in faith toward God, and in service to others?

Your gift builds upon the generosity of so many who have stepped forward in support of this effort and will help St. Andrew's continue its vibrant mission in our community.

When and how do I pay my pledge? What if my financial circumstances change?

Your three-year commitment to the *Grateful & Growing: Being a Good Neighbor* campaign may be paid in weekly, monthly, quarterly, annual, or one-time gifts increments. You, as the donor, will decide how best to complete your pledge.

Financial pledges are not legal obligations; however, it is anticipated that members will make their pledges in good faith and will fulfill these fully. If circumstances change, you may revise your pledge by notifying the church.

Since a loan is involved, is there an advantage to gifting my pledge sooner than later?

Yes. Since St. Andrew's is paying interest on the loan, the sooner we can pay off the loan, the less interest we will pay in total. Also, every time we make a payment of \$10,000 or more, the loan will be re-amortized, which means that we will begin paying the reduced interest in the next payment.

How do the rental houses support on-going ministries at St. Andrew's?

The rental houses provide an important source of income that helps to fund our operating budget. In 2020, the rental houses generated \$37,121, or 5.8% of our income. These funds help to support all the ministries at St. Andrew's.

In addition, the rental houses allow St. Andrew's to reduce our impact on our neighbors. By increasing the amount of off-street parking on our campus, we've freed up spaces in the neighborhood. And we provide four high-quality rental houses which are in great demand due to the housing shortages in Seattle. In the past, we've teamed up with a non-profit housing organization to allow one of our houses to be used in the Homestep housing program.

How has the pandemic affected St. Andrew's finances?

Due to the pandemic, several sources of income have disappeared or been greatly reduced. We haven't been able to hold fundraisers like the auction and the Celtic Fling and the group renting our Sunday School classrooms needed to terminate their lease. In addition, our open plate, Easter and Christmas donations declined because we weren't able to worship together. Even though our expenses decreased slightly, we still needed a \$71,500 federal loan (which has been forgiven) to pay our expenses last year. In 2021, we received an \$87,700 federal loan; however, we are still projected to end the year with greater expenses than income.

For 2022, we are forecasting that pledges will make up a greater share of our budget than before the pandemic. We are hoping to transition to a more stable operating model that does not rely on fundraisers to support our operating budget. As a result, our pledge income will need to increase by approximately \$100,000 from 2021 levels to support our on-going ministries at St. Andrew's.

In recent years, the average pledge has been just under \$3,000 per year. To meet our goals of funding our operating expenses without needing to use fundraisers or grants, the average pledge needs to increase to nearly \$4,000 per year.

Why is our campaign so important?

Throughout its history, our church has discerned and followed God's dream through our mission as God's people to be a place of welcome for all. Our campaign honors the commitment of all who have provided for our church over the generations, and ensures a bright future for our congregation, our community, and our ministries for years to come.

We have the privilege and opportunity to carry forward the legacy of St. Andrew's Episcopal Church, celebrate the abundance God places in our lives, and carry forward God's vision for us here.