



## **Subud Pacific Northwest HOUSING POLICY MANUAL**

It is the responsibility of each Center, in cooperation with the Region, to provide suitable facilities for the spiritual exercise of Subud for its members. Subud Pacific Northwest (Subud PNW) will assist and provide guidance to the Centers for the purchase, sale, rent, lease, free use, management and upkeep of real property, the primary purpose of which is for the practice of the spiritual exercise of Subud. Subud PNW shall own property purchased. Subud PNW will responsibly manage funds collected for the acquisition of, or resulting from, the sale of such properties, and promote the raising of housing funds. Making suitable facilities available to all members for the spiritual exercise of Subud in PNW is the goal of these funds.

### **SECTION I. PROCEDURES**

#### **A. ESTABLISHMENT OF REGIONAL HOUSING SUB-COMMITTEE:**

The Subud PNW Board of Directors (Board), with the advice of the Regional committee, shall establish a Regional Housing Subcommittee (RHC). It will be a regional subcommittee, accountable to the Board and reporting directly to the Regional Committee and the Board of the Region. This subcommittee will be an advisory committee consisting of three to five (3-5) Subud members, some with expertise in the area of financial management, real estate law, and some with general property management, chosen by the Regional committee and confirmed by a majority vote of the Board of Directors.

The length of service will be three (3) years with one new term beginning each year for 1/3 of the members.

#### **B. DUTIES:**

The duties of the RHC shall be:

1) Prepare and keep current a regional housing manual detailing the guidelines for purchase and maintenance of regional houses. This manual will include guidelines for operating enterprises in regional houses and general operations concerning regional houses. The manual and any changes thereto shall be submitted to the Board of Directors for their approval and when approved shall be the regional housing policies.

2) Prepare an annual report for the Board of Directors on all regional property.

3) Assist Centers when making proposals to the Board for purchases.

4) Prepare an independent report for the Board on all proposed purchases of real property: evaluating suitability for the group, structural condition, anticipated maintenance costs, possible enterprise opportunities, etc.

5) Provide counsel and assistance to Centers in real estate matters.

6) Work closely with the Regional Treasurer in areas where interests and duties coincide. These areas may be:

a. Establishment and annual review of a long-range financial plan to include a substantial cushion against unforeseen events such as assuming future mortgage payments and other expenses.

b. Employment and regular review of a professional record keeping system for storage and tracking of titles, deeds, notes, mortgage and rental payments, insurance, etc.

c. Keeping track of mortgage interest rates and recommending refinancing when advantageous.

7) Travel and other expenses shall be approved by the Regional Committee and have a line item in the regional budget for reasonable expenses in the performance of their duties.

### **C. PNW HOUSE FUND REPLENISHMENT:**

To insure that housing funds will be available in the future, a Housing Fund has been established, and shall be replenished on a regular basis as designated by the Regional Board of Directors.

## **SECTION II. PROPERTY PURCHASED OR OWNED BY SUBUD PNW**

### **A. PURCHASING PROPERTY:**

Because of difficulties, local Subud groups have had in approaching the real estate market and acquiring the necessary capital to finance a purchase, groups should attempt to pre-qualify their Center. This is not mandatory, but following this procedure can ultimately save time, energy and money for a local group. This process should include consideration of location, size, price range, etc.

#### **1) QUALIFYING THE PURCHASE**

Centers wishing to purchase property must complete the following steps to qualify their project for consideration and approval by the Regional Board. Centers should use the resources of the RHC for assistance.

a. Center should locate property that satisfies necessary local building codes and city regulations.

(1) Check for appropriate zoning

(2) Is a use permit needed? Most churches must have a use permit to operate. (See local city/county planning department) When securing a use permit a fire and health inspection will probably be required.

b. Secure an appraisal by a qualified appraiser.

c. Obtain a written assessment of the condition of the building and environs by a qualified building contractor, inspector. This will include information about any needed renovations: i.e. plumbing and wiring might need to be brought up to code, dry rot or termites may be a problem, etc.

d. In order for the RHC to gauge the level of commitment of the entire center the center will be asked to submit commitment forms from each individual member indicating the level and kind of support for the purchase of the property. This document should be presented to the Regional Board and is subject to their review and approval. Provide a written statement of how the members see the building serving the needs of the group. For example: how can the uses of the building meet the group's needs and financial needs.

e. Develop a financial plan clearly indicating the Center's ability to keep

up its financial obligations to the Region, make monthly mortgage payments, and continue Center functions. Any outstanding indebtedness must be included. A financial pro-forma demonstrating the source and likelihood of any additional funding should be included.

f. If the property is expected to generate income, financial plans and projections must be submitted.

g. Demonstrate the possession of, or ability to raise the Center's share of the proposed down payment.

## 2) PURCHASING PROPERTY

The above qualifying steps should be completed and the resulting packaged proposal should be submitted to the Regional Committee and RHC for review and comments. If deemed complete, the proposal will be submitted with appropriate recommendations to a meeting of the Regional Board for their approval.

Upon said approval by the Regional Board the Regional Committee shall sign necessary documents.

Only the Regional Corporation can formally purchase a house. This means all documents associated with the purchase must be signed by the officers of Subud PNW (The Regional Committee) or an agent in the Center who has been appointed by the Regional Committee to do so.

### a. MAKING THE OFFER:

This stage is a crucial step in the process of buying a house, and should be done in close consultation with the Regional Committee. The broad variations in making an offer require expert advice and considerable deliberation. However, sometimes it is impossible to secure approval or have intensive consultation with the Regional Committee before making an offer. Under such circumstances, the following contingencies must be included (in writing) in the offer:

(1) Approval of purchase by the Board of Directors of PNW.

(2) Securing the necessary use permit.

(3) Securing adequate financing.

(4) Providing sufficient amount of time for all the contingencies and

feasible studies.

(5) This offer is subject to buyers' approval of an appraisal on subject property.

The Regional committee, with agreement of the RHC, may, at its discretion, advance funds for the purchase offer deposit (earnest money). The Regional Committee may also, during the Center's investigation period, advance funds from the Housing Fund for an appraisal, property inspection, and other activities necessary for the preparation of a specific proposal.

Any offer to purchase must be contingent on approval of the Subud PNW Board within a specific time frame and must so state clearly in the written offer. Two officers of the corporation must sign any offer.

#### b. FINANCING THE PURCHASE

The Regional Committee shall submit the proposal of the Center to the Regional Board as soon as possible. If necessary, a special meeting may be convened with the expenses borne by the Housing Fund. The recommendations of the Regional committee and Housing committee shall be presented to the Board for discussion and decision. An affirmative decision will require an affirmative vote of 3/4 of the Board.

The finance of a Center purchase shall be based on joint participation by the Center and the Region.

Only the PNW Corporation may qualify and secure financing. When secured, the local Center will be responsible for the mortgage payments, monitored by the Regional Treasurer. Payment process should be worked out between the Center and the regional Treasurer at time of purchase.

If a Center is able to raise most or all of the cash necessary to purchase a property, the Center is still obligated to obtain approval of the Regional Board prior to any acquisition.

All Centers are expected to carry a debt load and/or make regular contributions to the Region in addition to paying operating expenses of any purchase.

#### c. REFINANCING

Refinancing should follow the same general procedure as used for

purchases.

### 3) REMODELING

Centers owning property may find it necessary to enlarge or change their facility to make it more suitable to their needs. Additions may require large amounts of money and conformity to building codes in the area. All alterations, except minor ones, will require local permits, especially for structures used for public assembly. Therefore, it is desirable that Centers use the resources of the RHC.

Because Centers will be dealing extensively with local governmental Agencies and with matters of financing, all project proposals requiring structural modification must be submitted to the RHC, which will submit to the Board for final approval.

Proposals will include:

- a. Description of the project including architectural plans where appropriate.
- b. Copies of regulatory paperwork such as permits.
- c. Three bids, two from licensed contractors.
- d. Budget for the project
- e. Proposal for financing which may be prepared with the assistance of the RHC.

Housing funds may be limited and all projects proposed by the various Centers may not be able to be funded in any given year, in which case the decision to approve a particular project will be made on the basis of the date of submission and/or need.

A Center may elect to completely fund a project themselves. However, Board approval for the project must still be obtained.

## **SECTION III. PROPERTY NOT OWNED BY SUBUD**

### **A. RENTING/LEASING OF PROPERTY NOT OWNED BY SUBUD**

Although the primary focus of this manual and the RHC is property ownership, some Subud Centers must rent or lease their Latihan facilities. It often takes a number of years for a group to develop an on-

going structure and determine which area is best for the location of their premises, and to assure the financial strength and stability needed to contemplate a purchase.

When renting, it is important to have a clear written agreement which specifies the conditions of usage, who is responsible for what (e.g. utilities, insurance, cleaning, etc.) and that there be no conflict in usage (noise, and other non-Subud groups, days and times, etc.)

As the Subud organization grows in size, complexity and income, it becomes increasingly important to have written contracts for self-protection. Copies of these agreements should be filed both with the Center and with the Region.

1) Renting. The local Committee may enter into a rental agreement either oral or written. The local Center does not need Regional permission for such a contract, but it must report to the Regional Committee that it has entered into an agreement.

2) Leasing. A lease is for a specified length of time, and obligates the Center for the total amount of money involved in the lease, although it is usually paid as a monthly rent. A lease protects the Center from sudden increases in rent and guarantees the tenancy for the term of the lease. All leases will be subject to review and approval at the Regional level and a copy must be kept on file with the RHC.

## **B. OTHER USE OF PROPERTY BY A CENTER**

1) Shared/Joint Participation. When there is a possibility of a Subud Group sharing facilities with another entity, whether a Subud organization or a non-Subud venture, it is important to proceed with care. The character and quality of the other participant should not damage the public perception of Subud, and should be consistent with the aims and purposes of Subud.

The responsibilities and obligations of each party should be clearly set forth in writing, including statements of goals such as a partnership.

The liability of the Subud group and the Region must be ascertained.

All arrangements must be reviewed by the RHC and comply with the Subud PNW Bylaws.

2) Gifts & Bequests. All gifts to a center become property of Subud

PNW.

## **SECTION IV. PROPERTY MANAGEMENT**

### **A. RENTING & LEASING OF SUBUD OWNED PROPERTY**

The purposes of leasing our facilities are:

- \* To bring in needed income to the local Center and the Region.
- \* To make good use of the facility, considering Subud requirements and property management requirements.

Basically, the two kinds of leasing arrangements that are suitable for our facilities: the long-term lease renewable on an annual basis, and the short rental lease, which is used for one occasion or renewable on a month-to-month basis.

#### **1) LONG TERM LEASES**

It is necessary to create contracts that clearly specify space, terms and conditions to which each party will be bound for the twelve-month duration, along with guidelines for renegotiations and renewal. The RHC's involvement in helping to draw up the terms of the contracts is important in order to prevent any long-term liability for property modifications or costly concessions promised to the lessee by the Centers. The reason for the annual renewal ritual is to give the Center and the tenant the option of reviewing the terms of the lease and take into account any changes in the needs of the Subud Center and their own use of the property. A longer-term lease could be detrimental to a group that needed to expand and has therefore become "locked out" of their own property.

Long term leasing arrangements should cover deposits, rent increases, utility costs, building maintenance and repair, insurance and indemnity clauses, as well as a hold harmless from litigation clause should that situation arise. All long-term leases need to be signed by the tenant, the Center Chairperson, and the Regional Chairman and a copy kept on file with the Regional committee.

### **B. MAINTENANCE AND REPAIR**

The ownership and maintenance of property should be viewed as a partnership between the Region and the Center because there are mutual benefits and responsibilities. Repair hazards and attractiveness



of a property can affect the entire membership and the general public in terms of legal liabilities and public approval (image). Since not all skills necessary for maintaining or repairing physical property are available at each Center, it is desirable that assistance be available from the Region.

Regional Housing Committee (RHC) includes members who have knowledge in the area of property maintenance and construction and they may be selected geographically for ease and economy of travel.

1) The management functions of the Housing Committee are:

- a. Inspect each property annually and help center arrange for such repairs and alterations deemed necessary.
- b. Work with Centers to plan and budget necessary maintenance with special attention to potential personal injury (safety) hazards, violation of building codes, and the attractiveness of the facility.
- c. Assist Centers in planning and executing larger alterations and expansions - including plans, permits, bids, and Fund requests to the Regional Council.
- d. Work closely with the Housing Committee finance specialists and the Centers when house purchases are to be made, remodeling can be done, or anytime groups need structured information/education.
- e. Work with the Regional committee and Center when major expansion is being planned and executed.
- f. Prepare an annual report and forecast of maintenance needs and schedules for Regional committee and Board use, and for the finance members of the RHC for its long range financial planning. This includes an expense forecast.

2) Funding of Repair and Maintenance

The funding of repairs and maintenance are the responsibility of the Center, which occupies the premises. The Center has access to the Region for assistance on major maintenance expenditures or capital improvements over and above the financial abilities of the group.

## **SECTION V. DISPOSITION OF PROPERTY**

### **A. PREPARATION FOR DISPOSITION**

Disposition of a property owned by the Region must be made in accordance with Section 5.3.C.2 of the Subud PNW Bylaws. If the Center initiates the proposed disposition, that center's members must approve the sale at a duly called Center meeting.

The RHC, in conjunction with representatives of the Center, shall inspect the property prior to listing it for sale and determine repairs, improvements and cleaning which are necessary. The Center shall provide the manpower and funds necessary for the repairs and improvements.

#### **B. LISTING FOR SALE**

A property owned by the Region, which has been approved for sale, must be offered in accordance with prevailing laws. The listing agreement must be signed by an authorized officer of the Region.

#### **C. APPROVAL OF SALE**

Any Agreements for Sale of a property owned by the Region must be signed by an authorized officer of the region.

#### **D. PROCEEDS FROM DISPOSITION**

All proceeds from disposition of a property owned by the Region must be paid to Subud Pacific Northwest. The net proceeds of the sale shall be deposited into an account of the Region. The net proceeds from the sale will be distributed in accordance with requirements specified in the Subud PNW Bylaws.

**"Subud"® and the seven circle symbol are registered marks of the World Subud Association.**

