



Executive Summary: Unlocking the Potential of the Lutheran Ecosystem to Advance Housing Solutions

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There is increasing recognition that stable housing plays a critical role in supporting individuals' health and overall well-being. Lutheran Services in America (LSA), a network of nearly 300 health and human services agencies that collectively steward \$26 billion annually in Medicare, Medicaid and other public and private funding across 46 states and 1,400 communities, has deep expertise in providing housing with services that address whole-person health. These services advance health equity for older adults, families with low-incomes, persons with intellectual and development disabilities, New Americans and other populations. LSA's expertise and reach position it to make vital contributions toward addressing the nation's housing insecurity crisis.

This Executive Summary underscores the value and importance of expanding the services provided by LSA members to meet the increasing demand for stable, affordable housing with integrated services to promote individual well-being throughout the lifespan.

With the generous support of the **California Lutheran Homes Foundation**, LSA commissioned this analysis and summary from Abt Global, a leading provider of research and consulting services on affordable housing and health and human services. The summary draws from and includes recommendations based on discussions Abt held earlier this year with 15 LSA members committed to deepening their housing expertise and sharing data about their work. LSA will share these preliminary recommendations with participants in the Health and Housing Solutions Summit for review and discussion. Abt will refine the recommendations in the coming months and develop a final White Paper that incorporates your invaluable perspectives.

About LSA and the Housing Solutions Collaborative

LSA was formed in 1997 to advance the efforts of nearly 300 Lutheran-affiliated nonprofit organizations that provide trusted health and human services in 1,400 U.S. communities. LSA members are independent organizations but share a **common mission to reduce housing insecurity and connect people to or directly provide supportive services that enhance individual and community health outcomes**. LSA strengthens the capacity of its members to support healthier and more equitable "caring communities."

In 2023, LSA formed the **Housing Solutions Collaborative** (the Collaborative) with 23 LSA member organizations, each committed to expanding its efforts to provide coordinated and high-quality housing and supportive services. Collaborative members collectively own or manage more than 25,000 housing units. The Collaborative is built upon LSA’s longstanding collaborative learning model, which involves bringing a subset of LSA members, national partners, funders, and investors together to **explore and develop innovative solutions around a shared concern and/or opportunity**. The goal of the Collaborative is to “reduce housing insecurity conditions in communities, ensuring residents are healthy and connected to the supportive services they need to thrive,” with a particular focus on serving older adults, families with low-incomes and people with intellectual and developmental disabilities.

A list of Collaborative members is provided at the end of the Executive Summary.

The Problem: Intersecting Challenges of Housing Costs, an Aging Population, and Funding Constraints

The rental affordability crisis in the US has continued to worsen in recent years, with the number of renter households experiencing “worst case housing needs” escalating from 5.01 million in 2001 to an all-time high of 8.53 million in 2021.¹ Concurrently, **the share of renter households spending more than half their income for housing rose from 19.0 to 25.3 percent and the share spending 30 to 50 percent of their income rose from 20.5 to 23.6 percent.**² This crisis disproportionately impacts racial and ethnic minorities, exacerbating social inequalities and obstructing economic mobility.³ Compounding the problem, the production of both market-rate and dedicated affordable housing has not kept pace with demand.

The aging US population, which is projected to grow significantly in the coming decades, adds another layer of complexity to the housing crisis.⁴ **A substantial portion of older adults live with disabilities and require specially adapted housing, home and community-based services and/or senior living communities able to meet their complex needs.** However, the current housing stock is grossly inadequate to meet these needs, lacking essential accessibility features.⁵ Home and community-based services remain limited, particularly in rural communities, and a growing share of diverse older adults fall into the “Forgotten Middle,” a term coined by NORC at the University of Chicago for “middle-income older adults who are unlikely to qualify for Medicaid long-term care, but are also unlikely to have the financial resources to pay for certain housing and care supports.”⁶

Addressing these multifaceted challenges requires a concerted effort to not only increase the availability of affordable housing, but also integrate essential services that support health, independence, and quality of life. **However, funding limitations severely restrict opportunities to develop and scale effective and integrated health and housing solutions.** This report outlines the needs and the unique opportunities for partnerships and financing for the LSA network to expand housing solutions at both local and national scales.

The Value Proposition: 3 Strengths to Build Upon

The following three-part value proposition captures the unique contributions that the LSA network can leverage to expand the availability of housing and services, building on existing strengths.

1. LSA members' whole-person approach comprehensively meets individuals' needs by combining housing and services that advance health, opportunity, and independence.

LSA members approach this work by coordinating safe and secure housing with the provision of supportive services grounded in whole-person assessments. Their strength in implementing the approach lies in their experience and expertise with providing housing and services to meet the needs of a wide range of populations. Across the network, LSA members are using a variety of proven approaches, including home-grown models, such as [LSA Senior Connect](#) and the [Connect Home Collaborative](#), and, evidence-based models requiring expert implementation, such as the Program for All Inclusive Care of the Elderly ([PACE](#)) and Shared Living/Host Homes (see the [Mosaic at HOME program, for example](#)). LSA members are at the forefront of piloting new innovations, most recently the new federal Guiding an Improved Dementia Experience ([GUIDE](#)) model.

2. LSA members leverage relationships with the broader Lutheran ecosystem, united in trust and a shared set of values, with complementary skillsets and assets.

In addition to having nearly 300 members, LSA and its members have close ties to Lutheran church bodies, congregations, financial institutions, and schools that offer valuable assets and expertise with which to address housing insecurity. Lutheran congregations are excellent partners for LSA because they have missions that align with LSA, deep roots in their communities, a reservoir of goodwill and tangible assets such as underdeveloped land. The Lutheran ecosystem also includes organizations that can strengthen the network's capacity to plan, finance, and implement innovative housing solutions by offering more flexible funding than is typically available from traditional lenders and deep expertise in real estate development. In addition, there are organizations, like California Lutheran Homes, that have reimagined their missions to provide innovative technical support and capital investment to address housing insecurity.

3. The existing LSA Housing Solutions Collaborative has the potential to serve as an ongoing vehicle where best practices, new solutions, and financing are developed and shared.

Housing Solutions Collaborative members are dedicated to expanding and strengthening their housing and related services and committed to working jointly to identify solutions. The Collaborative can support joint ventures to test new solutions, pilot a promising program across multiple communities, and develop new systems for sharing information, data, and resources. With LSA's support, members can create joint agreements to purchase services or products utilized by multiple members that may reduce costs and pursue larger scale and more flexible funding opportunities than possible for any one member. Once refined and tested by members of the Collaborative, promising housing and health solutions developed by the Collaborative could potentially be offered to the broader LSA network, enabling even greater impact.

9 Opportunities to Strengthen the Capacity of the LSA Network to Advance Housing and Health Solutions

The value proposition reflects Abt's assessment of three key ways in which LSA and its members could make a unique contribution to improving the wellbeing of individuals and families through housing, filling a critical gap in the national response to the housing insecurity crisis. As described below, LSA and its members could take several steps to help realize the potential inherent in this value proposition.

From discussions with LSA members, Abt learned that they are **overwhelmingly interested in deepening their commitment to the whole-person approach and expanding their strategies to build or preserve affordable housing**. This aligns with the broader trends throughout the industry where foundations, health systems and policymakers are pursuing solutions that address both health and housing. Among other key themes, the interviews underscored LSA members aim to:

- **Enhance their services to older adults**, such as by more intentionally linking housing and healthcare supports, expanding the use of service coordinators, providing in-home supports, and strengthening connections with other health care and service providers.
- **Reach or expand services to New Americans, youth and families involved in the foster care system, people experiencing homelessness, and veterans**.
- **Build their capacity to access and leverage federal funding sources for affordable housing**, especially the Low-Income Housing Tax Credit program, the Section 202 Supportive Housing for the Elderly Program, and the Rental Assistance Demonstration to preserve properties with Section 202 Project Rental Assistance Contracts.
- **Identify and leverage nongovernmental funding sources** to support their work, including impact investors, foundations, and private equity.
- **Develop or expand partnerships** with entities like managed care organizations, public housing agencies, Head Start, mental and substance use healthcare providers, and Tribal Nations.
- **More confidently assess the qualifications of potential housing development partners** and the viability of potential development deals.

Listed below are nine (9) specific opportunities that would, collectively, advance all three of the components of the value proposition. These opportunities reflect the themes Abt heard in the discussions as well as Abt's understanding of the current housing crisis and the landscape of affordable housing development, as well as its perception of where LSA and its members have the greatest opportunity for impact.

LSA members' whole-person approach comprehensively meets individuals' needs by combining housing and services that advance health, opportunity, and independence.

1. Raise the visibility of the Lutheran response to health and housing, sharing proven solutions and what works, why and for whom, to drive policy changes and accelerate partnerships at the national, state, and local level.

LSA members have a wealth of experience understanding the health and housing needs of older adults, families, people with intellectual and developmental disabilities, New Americans and other populations. To ensure that funders, policymakers and practitioners are better aware of this experience and expertise, LSA can:

- Demonstrate thought leadership in this space, sharing proven solutions, stories and data of the direct impact being generated in communities by LSA members.
- Leverage this thought leadership to expand partnerships and funding and advance advocacy opportunities.

2. Strengthen organizational capacity at both the board and leadership levels to expand investments in a whole-person approach to housing and services.

Sustaining and expanding a health and housing focus requires significant ongoing education, training and investment at the organizational level. This investment is needed at all levels, from the Board, to the C-Suite, program leadership, direct staff and beyond. LSA could offer a suite of shared, cohort-like opportunities to help LSA members strengthen their capacity to invest in a whole-person approach to housing and services, such as:

- A readiness curriculum.
- Leadership and staff training.
- Advocacy support.

3. Address the need for flexible funding for predevelopment expenses associated with implementing a whole-person approach pairing housing and services.

To overcome the barrier of predevelopment costs, LSA could explore the opportunity to pool resources to finance predevelopment costs.

- This funding could help leverage a much larger amount of federal, state and private investments by helping LSA members demonstrate that their projects are technically and financially feasible.
- Options for allocating this funding to LSA members include grants, forgivable loans, or loans with flexible repayment terms.

4. Facilitate access to funding from health care sources.

LSA can develop models and standards and broker relationships at the national or regional level with health insurance providers, state Medicaid systems, and other health care entities to influence their policies and practices in ways that help LSA members access additional funding. This approach could involve:

- Creating models and standards for community-based organization (CBO) and health payer partnerships.
- Facilitating “show and tell” site visits and roundtable discussions at LSA member facilities, to set in motion place-based partnerships.

LSA members leverage relationships with the broader Lutheran ecosystem, united in trust and a shared set of values, with complementary skillsets and assets.

5. Create a branded initiative focused on advancing housing with services in partnership with Lutheran churches and schools.

Partnerships between LSA members and Lutheran churches and schools are already occurring and yielding productive fruit. To enhance and expand collaboration with Lutheran churches and schools, LSA can create a branded initiative aimed at deepening and increasing the frequency, quality and ease of these partnerships. Ideas to explore include:

- An advisory committee of representatives of the broad Lutheran ecosystem.
- Engagement of a real estate consultant to provide reliable advice to all parties on how to assess the market value of a property and structure these partnerships.
- Technical assistance, marketing materials and model documents.

6. Develop cross-population health and housing solutions, leveraging the Lutheran expertise and scale in serving different populations with complex needs and connections to the direct care workforce and family caregivers.

The LSA network includes two of the largest nonprofit health and housing networks in the nation, serving older adults and persons with intellectual and developmental disabilities. In addition, the network includes over 100 members active in supportive programming and housing for children and families involved with the child welfare system.

- By pooling their expertise on how best to meet the needs of these populations with complex needs, and the family caregivers and direct care workforce—LSA members employ over 250,000 staff—that support them, LSA members could develop, refine, and grow innovative housing and services models that cross populations.
- This work could build on LSA’s Rural Aging Action Network, which is dedicated to expanding community-based services and supports for older adults and supporting family caregivers.
- A prioritization process with LSA members and independent experts could guide selection.

The existing Housing Solutions Collaborative has the potential to serve as an ongoing vehicle where best practices, new solutions, and financing are developed and shared.

7. Fully document the housing-related capabilities and results of Collaborative members to inform member actions, educate funders, develop partnerships, and build infrastructure.

To ensure LSA members are aware of one another's work and inform efforts to educate funders and partners about LSA members' housing work, LSA can build on the process it has already begun of documenting and highlighting the efforts of individual members.

- Documentation could include case studies and creation of a searchable database detailing members' housing supports, innovative strategies, outcomes and targeted populations.
- These tools can facilitate connections between LSA members and partners and funders seeking to strengthen or scale innovative solutions.
- They could also lead to opportunities for shared data collection or other cooperation.

8. Facilitate one or more peer-to-peer networks for cohorts of members early in their housing journey or seeking to scale.

LSA could facilitate peer-to-peer networks for members, such as:

- A peer network for members who are relatively new to housing could focus on helping LSA members better understand the development process, different options for being involved and the broader housing landscape.
- A peer network for members who have these basics down and seek to scale up their work could focus on building the capacity to execute larger projects and developing adjacent lines of business that have worked for their peers.

9. Explore opportunities for shared services to accelerate and bring efficiencies to housing solutions efforts of LSA members.

The size of the LSA network creates opportunities for members to share services that can reduce costs and enable individual members to efficiently obtain services or products without having to develop specialized knowledge or add staff. For example, LSA could:

- Offer real estate consulting expertise to advise members on potential development.
- Other opportunities for shared resources include a case management platform, property insurance fund, employee benefits, or bulk purchase agreements.

Members of the Housing Solutions Collaborative & Housing Leadership Circle

Housing Solutions Collaborative
AbleLight
Bethany Village
Bethel New Life
California Lutheran Homes Foundation
Compass Housing Alliance
Ecumen
Fellowship Square
Genacross Lutheran Services
Graceworks Lutheran Services
Immanuel
Inspiritus
Luther Manor
Lutheran Family Services
Lutheran Metropolitan Ministry
Lutheran Senior Services
Lutheran Social Services of Illinois
Lutheran Social Services of the National Capital Area
Lutheran Social Services of Northern California
Lutheran Social Services of Southern California
Metro Lutheran Ministry
Samaritas
St. John's United
Wellspring Lutheran Services
Housing Leadership Circle
California Lutheran Homes Foundation
Mission Investment Fund (MIF) – a ministry of the ELCA
Lutheran Church Extension (LCEF) – a financial extension of the LCMS

Endnotes

¹ Alvarez, Thyria A. and Barry L. Steffen. 2023: [Worst Case Housing Needs: 2023 Report to Congress](#).

² Alvarez and Steffen, supra note 1.

³ Author tabulations of the U.S. Census Bureau's 2021 [American Housing Survey](#).

⁴ Mather, Mark and Paola Scommegna. 2024. [Fact Sheet: Aging in the United States](#). Washington, DC: Population Reference Bureau.

⁵ Molinsky, Jennifer. 2023. [US is Unprepared to Provide Housing and Care for Millions of Older Adults](#). Cambridge, MA: Harvard Joint Center for Housing Studies.

⁶ NORC. 2024. [Understanding Historically Marginalized and Minoritized Communities in the Forgotten Middle](#).