Lutheran Services in America

Health Through Housing
Case Study

Catalytic Capital for Investment-ready Housing with Services—at a National Scale

Stable, affordable housing paired with supportive services is one of the most effective—and most underfunded—interventions available to communities working to improve health, strengthen families and expand opportunity across generations. For the people served by Lutheran Services in America's network of nearly 300 health and human service organizations, housing instability is not a background condition. It is a significant barrier for attaining better health and a meaningful sense of dignity and belonging. When people are stably housed, they maintain employment, access preventive care, sustain relationships and age with independence.

Lutheran Services in America's Health through Housing initiative is a direct response to that reality that mobilizes the resources, relationships and financing tools of the Lutheran ecosystem to expand service-enriched affordable housing where it is needed most.

The case study that follows represents a key model already successfully completed within and alongside the Lutheran ecosystem. A number of Lutheran Services in America members have implemented housing-with-services collaborations with church partners, building upon their deep community relationships, mission alignment and access to land. It shows what's already possible—and what Lutheran Services in America's Health through Housing initiative is designed to take to scale.

How Inspiritus Built 80 Units of Affordable Senior Housing on a Former Church Site in Nashville

At a Glance

Organization	Inspiritus (Lutheran Services in America member) — Atlanta, GA / Nashville, TN
Project	Integrated affordable housing and community services development, North Nashville's Salemtown
Population Served	Extremely low-income older adults and people with disabilities; 20% of units fully ADA accessible
Units	80 units of affordable housing (floors 2–5)
Ground Floor	Free food market, Build Healthy Families program, therapeutic arts, medical partner space, community rooms. 9,500 sq. ft of community infrastructure built alongside the housing.
Opening	October 2026
Timeline	Seven years from conception to opening (2019–2026)
Total Project Cost	~$35 million
Key Financing	9% LIHTC equity (~$16M), HUD Section 202 (~$10M), Federal Home Loan Bank, City of Nashville ($2.5M), philanthropic capital campaign
Co-Developer	Nelson Community Partners (Mick Nelson)
Property	0.71-acre former St. Paul Lutheran Church site

It Starts with Community

For more than 15 years, Janet Arning, the executive director of what was then Lutheran Services in Tennessee, had been convening a weekly women's group each Thursday in the basement of St. Paul's Lutheran Church, which sat on a 0.71-acre corner property in the heart of a rapidly gentrifying neighborhood in North Nashville. The group of neighborhood women—called Build Healthy Families had—since 2000—come together to identify what their community needed most and how they could help meet those needs.

When the women saw the need for more healthy food options in the neighborhood, they designed a network of 200 raised-bed gardens placed in low-income communities. When they identified that children had nowhere safe to go after school, a therapeutic arts program was born.

So, in 2018, when St. Paul's congregation—which had declined in recent years— closed its doors and sought to reimagine its land stewardship to continue the existing ministry, they turned to the voices of the community.

What they heard from the women was that they and their families could no longer afford to stay in their own neighborhood, that the fabric of the community was eroding, that the mosaic of culture they had built was at risk of disappearing. They needed housing that was affordable—and sustaining—not only to ensure residence but to improve community health.

Those voices echoed the broader housing crisis facing Nashville. Residents earning less than 60 percent of the median income struggle to find and maintain a home while providing for their most basic needs. With recent reports predicting the city's housing shortage at more than 90,000 by 2030, the city—and the North Nashville community—knew it had to take aggressive action to expand housing options.

A Clear-Eyed Start

In 2018–2019, Lutheran Services in Tennessee and Lutheran Services of Georgia joined forces to become Inspiritus. The merger brought together complementary strengths—and a unique opportunity. The St. Paul Lutheran Church was sitting on one of the most underutilized corners in the rapidly changing neighborhood—a prime location for an affordable housing and services project. And the Southeastern Synod of the ELCA, recognizing the close mission-alignment with Inspiritus, was confident about turning the property over for development at a dramatically below-market cost.

John Moeller, incoming CEO of the merged organization, saw both the potential and the challenge clearly. "This was a $35 million project," he said. "At the time, Inspiritus was a $12 million enterprise with zero experience in affordable housing development and a relatively weak financial position."

That clarity—what Moeller calls "an honest inventory of strengths and weaknesses"—became the project's first strategic asset. Inspiritus knew what it had: deep community relationships, an irreplaceable staff leader in

Arning as executive director, mission alignment and—through church partnership—access to land. And it knew what it lacked: development expertise, experience navigating the capital stack and capacity to run a major philanthropic campaign.

From that honest reckoning, a strategy emerged: find partners who are exceptional at the things you are not and build the best possible team.

What to Look for in a Co-Developer

According to Inspiritus, these qualities mattered most in choosing Nelson as the right partner:

1. A passion for building affordable housing.
2. Local market knowledge and expertise in capitalizing complex projects.
3. Excitement for the site and aligned project goals.
4. Candid and honest assessment of their strengths and weaknesses—and appreciation of ours.

Assembling the Right Partners

Inspiritus talked to a number of developers who loved the site but passed and others who weren't the right fit. Eventually they were pointed to Mick Nelson of Nelson Community Partners—a local developer who aligned exactly with what Inspiritus needed.

The co-development structure was, in Moeller's words, "the genius portion of it." Inspiritus and Nelson became 50/50 partners—linked at the hip financially, sharing both risk and reward. That structure created mutual accountability that sustained the partnership through seven years of weekly meetings and every challenge the project threw at them.

Nelson knew how to finance the housing portion of the project—the Low-Income Housing Tax Credit equity (LIHTC), the HUD funding, the city investment. To raise the philanthropic capital needed for the ground-floor community services space, which represented roughly 20% of the total project cost, Inspiritus brought in Tompkins, Eckert and Associates, a capital campaign consultancy, with Virginia Spencer, Inspiritus chief development officer, as the internal lead. Other key members of the team included Michelle Angalet, Inspiritus chief operating officer and Marc Bussone, liaison to the Inspiritus board, key fiduciaries throughout the seven-year process.

Other partners joined at critical junctures: Pathway Lending provided $1.5 million in predevelopment financing—covering the architectural drawings, environmental assessments, rezoning process and the rendering and documentation needed to make the project's vision concrete to donors. An architecture firm helped design the building, a rezoning firm guided the project through municipal approval, and Nashville's Feeding America affiliate became the operational partner for a ground-floor food market.

According to Moeller, the pattern throughout the process was the same: identify what you need, find the best person for that specific role, bring them in as a genuine partner and keep asking "who else can help?"

> "Don't try to do this alone. Find all the partners who can help you be successful. You may have to pay some of them — that doesn't mean it's not a partnership."
>
> *— John Moeller, CEO, Inspiritus*

Navigating the Gauntlet (or Not)

The capital stack came together piece by piece, requiring patience, persistence and faithful stewardship of relationships. The City of Nashville committed first—$2.5 million, anchored by Mick Nelson's relationship with the city. Then came the critical 9% LIHTC award, which would generate roughly $16 million in equity. Without it, the project could not proceed.

"You could have the best project, the greatest need, the most beautiful drawings," Moeller said. "But if you don't have the recipe for securing the tax credit award, you're nowhere. The 9% tax credit isn't simply awarded to worthy projects — it's a competitive state allocation scored against detailed criteria. Knowing how to engineer a project to score well, and whether it can score well at all, is a specialized skill. Mick Nelson had it." Then HUD Section 202 funding—another $10 million. Then a grant from the Federal Home Loan Bank. One by one, the pieces locked into place.

On the philanthropic side, the early work was slow, with foundations expressing interest but cautiously holding back. "Finally, one of them says: we'll invest. And it's like the first domino falls," Moeller recalled. "Once one goes, the others follow." Inspiritus ultimately surpassed its campaign goal.

> "You cannot underestimate how powerful your own constituents are. They're your superpower."
>
> *— John Moeller, CEO, Inspiritus*

Rezoning presented a different kind of challenge. The neighborhood had seen years of intense development and was fatigued. Community meetings were at times contentious but Inspiritus kept coming back—every few months, with updated drawings, patient explanations and genuine listening.

When the health through housing project finally came before the city council for an up-or-down vote, it was not the professionals or the paid partners who carried the day as advocates. It was the women of Build Healthy Families—speaking as long-time community members with deep credibility and a personal stake in the outcome.

What They Built

The building opening in October 2026 where the original church stood is an integrated "Live-Thrive-Give" community, a physical embodiment of what Inspiritus believes: that housing, health and empowerment services, bundled together, can move people from surviving to thriving.

On floors two through five: 80 units of affordable housing for extremely low-income older adults, 20% of which are fully ADA accessible. On the ground floor, services provided by Inspiritus that are available to residents and the wider community: a free food market operated with Nashville's local Feeding America affiliate, the Build Healthy Families program, space for medical partners to provide on-site services, therapeutic arts programming and community meeting rooms. On the roof: raised-bed gardens to grow healthy food.

Woven into the health through housing structure itself is the history of what stood before. The stonework from the original church façade is visible in the new building's foundation, the stained glass windows have been repurposed in the community room, and the pews have been reimagined as seating in the lobby.

And some of the women who envisioned this community asset—the ones who gathered every Thursday for more than 15 years on this site—are looking to make this building their new neighborhood home.

According to Inspiritus CEO John Moeller, "St. Paul's church was a picturesque little church. Everyone knew that corner because of the church.

So it's demolition was not a decision we or the parent denomination decided lightly.

But the thing about churches is that churches are not buildings. Churches are people. We think this health through housing project is going to be something we're proud of for years because we're honoring the first 90 years with a commitment to another 90 or 100 years' in service of the community's health and home."

Key Learnings

Though Inspiritus entered this project with no experience in housing and slight financial assets, according to Moeller, it is exiting stronger—financially, organizationally and in its standing as a leader in integrated community development.

Here is what Moeller advises others who are considering similar Health through Housing projects.

Start with an honest inventory.
Know what you're good at and what you're not. Inspiritus knew community relationships and authentic service. It did not know affordable housing development. That clarity provides the map that shows you who you need.

Find the right partners.
Look for competence, mission alignment and genuine fit—people who are not just excited about the project but equipped to execute on their piece of it.

Share the risk.
The co-development structure with Nelson Community Partners—50/50, shared risk, shared reward, created the accountability that held the partnership together for seven years.

Commit to the process, week in and week out.
The core team met one to three times per week for seven years. These projects are time-consuming.

Begin and end with community.
The women of Build Healthy Families were part of the reason the project existed, the intelligence that shaped it, and the voices that got it approved. Keep asking what the community needs and keep them at the table.

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