

Fieldworks

Initial Research Report

Executive Summary

Project Purpose

Fieldworks is not just a research effort. It is a launchpad for **experiments, pilots, and financial innovation** to address the urgent challenge, and opportunity, presented by church property transition in the U.S. Across the country, congregations sit on land that has immense potential to serve their communities through housing, health care, education, social enterprise, and worship.

But the existing financial systems and structures are not equipped to support these kinds of community-centered developments at scale. This design sprint convenes a multidisciplinary group of leaders to co-create the **tools, vehicles, and strategies** needed to unlock this potential.

Methodology

To ground this in lived expertise, Rooted Good hosted:



from finance, philanthropy, property development, and church communities, and more. Input came from voices across the U.S. and beyond, and included developers, impact investors, CDFIs, denominational leaders, intermediaries, and foundation executives.

These conversations were coded and analyzed, focusing on four areas:

1. Barriers to progress.
2. Examples of current work.
3. Dreams and bold ideas.
4. Referents and models to learn from.

The Broad Opportunity



The scale of the opportunity is extraordinary. Tens of thousands of church properties are at risk of being lost to market-rate development. But these same properties could anchor neighborhoods with **affordable housing, social services, childcare, and community space**—all rooted in the moral mission and embedded relationships of local churches. Missional alignment is already present: capital providers, developers, and churches want to work together for community good. But the **right capital tools, structures, and capacity supports don't yet exist**. With the right financial innovation, these properties can be transformed into hubs of flourishing.

Key Findings From Field Research

In focus groups and interviews with more than 95 leaders, the following emerged as the most common barriers to more and better community development on church land; and the following financial solutions were proposed most often. The quotes here come directly from research conversations.

Top 5 Barriers and Needs

- 1** Congregational Capacity (Time, Expertise, Trust)

"You're dealing with leadership teams that don't have the skills they need to execute what they're trying to do."

"Trying to build trust and relationship in a moment of crisis is hard."
- 2** Complex Ownership and Denominational Systems

"The financial markets don't want to try to figure out all that denominational stuff."
- 3** Lack of Proven Financial Models

"There's not a lot of deals you can point to definitively, and they're not being analyzed the same way as traditional deals."
- 4** Lack of Predevelopment Capital

"Predevelopment loans are really risky. Churches need help to engage professional services early."
- 5** Need for Concessionary or Gap-Filling Investment

"We cannot do this without concessionary senior construction debt."

Top 5 Financial Solutions

- 1** Creation of Scaled Finance Products and Funds

"If all the Christian pension funds in the U.S. got together and put 0.1% of their portfolios into this, we could do it."
- 2** Recoverable Grants and First-Loss Capital

"If you had a \$50M catalytic fund from denominational partners, you could catalyze \$150M in market-rate capital."
- 3** Credit Enhancement / Guarantee Pools

"We're trying to prove that by credit enhancement or de-risking, you can create more liquidity in this space."
- 4** Blended Return Vehicles

"We're looking at a series LLC with sleeves for market-rate, catalytic, and concessionary capital so investors can allocate by need."
- 5** Secondary Markets and Syndications

"What would an effective secondary market look like in this space? Like a Fannie Mae for church land?"

The following solutions were also suggested, and are important, but are not the focus of the Fieldworks effort because they are not primarily about the flow of money:

- ◆ Education and curriculum for churches
- ◆ Trusted intermediaries and navigators
- ◆ Policy advocacy, especially around zoning

Example Stories

Here are some stories that demonstrate examples of what people and organizations are experimenting with in this space. This is not an exhaustive list nor are these necessarily “ideal” examples. They are provided here simply to illustrate in little more detail SOME of the ideas that are being tried.



Church in Los Angeles Los Angeles, CA

A large, urban, nondenominational church with a vibrant commitment to immigrant ministries, material assistance programs, and educational offerings found its physical campus limiting the full expression of its mission. Its site—anchored by an aging theater and surrounded by Sunday-only surface parking—was optimized for weekly worship but underutilized throughout the week. Church leaders envisioned something radically different: a community-oriented campus featuring a Christian preschool, gathering spaces for multilingual ministries, open-air plazas, and a right-sized sanctuary reflective of their identity and hospitality values. Realizing this vision required a leap of faith—they made the bold decision to relocate all parking offsite to free up land for development that aligned with their mission.

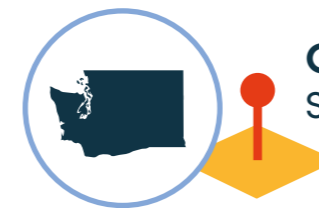
To fund this transformation, the church considered housing on upper floors of new mixed-use buildings. Their three-acre site could accommodate up to 300 units in 5- to 7-story podium structures. Affordable housing was a core priority, and two options were explored: (1) phased, mixed-income development or (2) a first-phase, 100% affordable housing project. Only the second option drew developer interest—reflecting market realities where high interest rates suppress investor appetite for marginal returns. The affordable-first strategy offered multiple benefits: it could fund a new preschool, activate the campus, and help the congregation adapt to change incrementally. But the timeline is slow—an estimated 15–20 years overall. As the founding pastor and spouse approach retirement, they remain hopeful but realistic. If a below-market, mission-aligned equity partner had existed, the vision might have accelerated—turning a long-range dream into a near-term reality.



Common Grace / Wesleyan Impact Partners Loan Madison, WI

Common Grace / Wesleyan Impact Partners Loan After the merger of two congregations—Lutheran and Moravian—Common Grace Church launched the Eastmorland Community Center as a tangible way to expand its neighborhood-based mission. But as the church grew, its aging building became a liability, both in functionality and cost. With support from the Good Futures Accelerator, the congregation partnered with Threshold Sacred Development and Threshold Builds to completely reimagine the site. The result: a new, flexible community center paired with 26 units of workforce housing, designed to meet pressing housing needs in Madison while anchoring the church more deeply in its neighborhood.

This redevelopment was made possible by a below-market, low-barrier loan from Wesleyan Impact Partners (Texas Methodist Foundation). Drawing on its endowment, WIP provided capital at an interest rate about 2% below market rate. As WIP puts it, “We lend where others won’t, to make the mission work.” Their catalytic financing unlocked the entire project, enabling Common Grace to pursue a site plan that integrates affordable housing, community gathering space, environmental sustainability, and long-term value for the church. But their pool of funds is limited and will quickly run out by giving larger, long-term loans.



Casa MiA Spokane, WA

Casa MiA is a 13-unit townhome community in northeast Spokane, developed by Mujeres in Action (MiA), a by-and-for organization serving Latine survivors of domestic and sexual violence. Rooted in cultural values and healing, Casa MiA is MiA’s first housing development and responds to the urgent need for trauma-informed, permanent supportive housing for Latine women who are often precariously housed or trapped in unsafe environments. The project combines culturally tailored design—multiplexes arranged around a community hub called *Casa Grande*—with on-site access to bilingual case management, mental health services, peer support, and economic empowerment programming. Casa MiA exemplifies how community-based, culturally specific solutions can transform underutilized land into spaces of dignity, healing, and safety.

Crucially, Casa MiA was made possible through early, flexible philanthropic investments totaling \$450,000. These funds—largely unrestricted—allowed MiA to conduct due diligence, complete a feasibility study, and secure nearly \$1 million in state appropriations, which in turn unlocked further financing. Philanthropy served as a de facto “predevelopment loan,” reducing the need for costly debt and providing cash flow during the riskiest stages of development. The result: fewer delays, stronger positioning with public funders, and greater long-term sustainability. As one team member put it, “The relief is hard to overstate. This money gave us room to think clearly and plan boldly.” Casa MiA demonstrates how early, trust-based funding can power visionary housing led by and for historically marginalized communities.

Solutions Map

Many excellent solutions were shared during the research phase. Here are some of them roughly described as WHAT solutions and HOW solutions.

This chart is another way at looking at the solutions proposed.



WHY:

To unlock the social, spiritual, and community value of church properties through catalytic investment and redevelopment.

WHAT (Financial Solution)

- ◆ Concessionary Debt
- ◆ Credit Guarantees / First-Loss Capital
- ◆ Predevelopment Capital
- ◆ Scaled Debt Funds and Syndications
- ◆ Blended Return Investment Vehicles
- ◆ Revolving/Evergreen Funds
- ◆ Church-Focused CDFI or Intermediary
- ◆ Equity Substitutes (for Churches)
- ◆ Zoning and Regulatory Advocacy

HOW (Mechanism or Structure)

- ◆ Below-market senior loans from faith-based foundations or CDFIs
- ◆ Guarantee pools, loan-loss reserves, credit enhancement structures
- ◆ Recoverable grants, early-stage grants, zero-interest loans
- ◆ Pooled capital products, secondary markets, SPREIT-style trusts
- ◆ Tiered LLC structures offering market + catalytic return options
- ◆ Recyclable capital models that reinvest returns into future projects
- ◆ New or adapted institutions that understand both finance and faith-based contexts
- ◆ Structures where churches contribute land, not cash, and retain mission control
- ◆ Partnering with cities/states to change land use policies and unlock development



New Way Homes (NWH) California

New Way Homes is a 501(c)(3) nonprofit advancing scalable alternatives to traditional housing finance models. Instead of relying on limited public construction subsidies, NWH raises fixed-return impact investments from individuals, foundations, and mission-aligned institutions. These funds are pooled into an impact investment fund that supports early-stage project costs, enabling churches and other nonprofits to develop housing on underutilized land with little or no public subsidy.

Their model creates less expensive housing while centering community control and long-term ownership. Projects begin with pre-development funding from the fund, followed by additional debt and equity from mission-driven lenders and investors. Modular construction and supportive zoning laws reduce time and costs. Churches retain key decision-making rights throughout the process and are offered a path to full ownership over time.



Good Next Step Wisconsin

The *Good Next Step* program is a five-year, \$1.1 million donor-funded initiative that helps churches in Wisconsin transform underutilized land into housing and community-beneficial developments. Recognizing that many churches are land rich but cash poor, the program provides 2:1 matching grants and expert support to complete essential pre-development work—such as feasibility studies, zoning analysis, and developer selection—allowing churches to retain control of their property and maximize community impact.

Developed by RootedGood in partnership with Threshold Sacred Development, the program aims to launch at least 30 projects over 10 years in Wisconsin and serve as a national model for leveraging faith-based property to address housing and social needs, with all grant funds recycled for future developments.

Summary Reflection

The challenge before us is not merely financial—it is structural, cultural, and deeply human.

The stories, insights, and solutions gathered through this research show that transformation is already underway. Congregations are taking bold steps. Investors and funders are showing flexibility. Developers are creating mission-aligned partnerships.

We are not here to admire the problem—we are here to prototype the future.



Find out more...

This is a summary of the full report put together by Rooted Good.

Use this QR code or link to access the full 26 page research report:

www.tinyurl.com/3675vj9z



And use this QR code to access a mini-glossary of terms designed to provide some shared language around these concepts:

www.tinyurl.com/3amx3rcd



All research and the entire project has been made possible through the support of our partners:



RootedGood exists to help faith-rooted institutions rise to meet the needs and possibilities of this moment. We believe church land holds extraordinary potential for community transformation—and that new financial imagination is urgently needed.

Fieldworks is our contribution to the ecosystem—a collaborative effort grounded in the belief that the scale and complexity of this moment can only be met if we work together.

We hope to accelerate good—together—so that church properties can continue to grow as spaces of justice, healing, and shared flourishing for generations to come.

