



100* Conversations

Reflections and Insights in Affordable Housing and Community Development

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Executive Summary

Between December 2025 and March 2026, I spoke with more than 100 professionals across the affordable housing and community development landscape—developers, lenders, investors, property managers, public agency leaders, service providers, and emerging practitioners working in markets across the country. Their experiences varied. Their concerns did not.

Three interconnected challenges demand attention: the sector must dramatically increase production and preservation of affordable housing; it must build a deeper, more diverse, and more resilient practitioner ecosystem; and it must develop the infrastructure to actually understand and improve outcomes for the residents it exists to serve. What follows is a synthesis of those discussions—practical, honest, and grounded in the experience of people doing the work every day.

A System Under Pressure

The affordable housing sector needs to produce far more units—and the tools it has relied on for decades are no longer sufficient to get there. HUD data shows we are 40% below production requirements for very-low-income households—and 60% below for the extremely low-income. The Low-Income Housing Tax Credit remains the primary engine of production, but rising construction costs, higher interest rates, escalating insurance premiums, and tightening underwriting standards have widened the financing gap significantly. The sector must find new capital sources, streamline soft funding deployment, and reduce the transaction friction that leaves fully designed, community-supported deals stalled for years—or moving forward at reduced scope.

Preservation demands equal urgency. More than 440,000 federally assisted units face expiring affordability restrictions in the next five years, and the sector is not ready. Congress needs to fix Anti-Churn tax code restrictions that make re-syndication increasingly difficult. The sector added just 33,000 net assisted units in 2024—a fraction of what is needed—and without intervention, that number will shrink further as expiring units outpace new production.

Operating expenses have outpaced allowable rent growth across most markets, and that gap will not close on its own. Insurance, utilities, staffing, and maintenance costs have risen sharply and are not reverting. Lenders are requiring larger reserves in response—widening the financing gap further. Agencies must confront the cost consequences of duplicative code requirements and misaligned priorities. The sector needs a deeper,

more competitive subcontractor pool. Every dollar of avoidable cost is a unit the system fails to produce.

A Fragile and Homogeneous Practitioner Ecosystem

The sector cannot solve the production shortfall without first addressing the workforce and organizational capacity crisis behind it. Compensation gaps relative to adjacent real estate sectors are bleeding experienced staff out of the industry—and the sector needs to compete more aggressively for talent, particularly in mid-level development, asset management, and finance roles. Organizations must stop operating reactively, chasing pipeline to sustain cash flow, and start investing in the infrastructure needed for long-term growth. The LIHTC treadmill will not fix itself: developer fee structures, overhead recovery, and organizational sustainability models all need rethinking to create room for strategic investment rather than perpetual deal-chasing.

Diversifying the ecosystem requires structural intervention, not just stated commitment. Emerging and minority-led developers need more than introductory programs—they need balance sheet support, realistic pathways through net worth and liquidity requirements, and training that addresses the operational realities of running a development organization, not just closing a first deal. The sector must confront the instability that comes with single-leader organizations, invest in succession planning, and build the asset management infrastructure to catch problems before they become crises. Management company changes are occurring at historic rates and 15-year credit events are no longer rare—both are signals the sector needs to treat as systemic, not episodic.

The Missing Link: Resident Outcomes

The sector needs to hold itself accountable to what affordable housing actually enables—not just what it produces. Right now, most organizations track compliance metrics and little else. That has to change. The sector must establish shared outcome definitions, invest in data systems that track resident well-being over time, and move resident services funding out of time-limited grants and into operating pro formas where it belongs. Without widely adopted metrics, organizations cannot distinguish transformational programs from well-intentioned ones, funders cannot direct capital toward what works, and policymakers cannot justify systemic investment. Affordable housing is a proven social determinant of health and economic stability—but the sector will not capture the investment and policy support that recognition should generate until it builds the measurement infrastructure to demonstrate that value at scale.

A Path Forward

The recommendations that follow fall into three areas: Housing Supply, Capacity and Diversity, and Resident Impact. On supply, the sector must recycle and scale soft funding sources, fix Anti-Churn restrictions to unlock preservation, expand state tax credit programs, and eliminate the duplicative regulatory and code requirements that drive up per-unit costs. On capacity and diversity, funders and agencies need to move beyond project grants and invest in organizations themselves—balance sheets, predevelopment capital, shared services infrastructure, succession planning, and training programs built around operational realities, not just deal mechanics. On resident outcomes, the immediate priority is establishing a core outcomes framework, integrating that data across property management, asset management, and development functions, and embedding resident services into operating budgets as a permanent line item, not a philanthropic add-on.

These challenges are systemic and will not be resolved by any single organization acting alone. All practitioners in all segments of the market must recognize these challenges and organize for their solutions. This report is meant to contribute to that work: name the constraints honestly, envision new opportunities or surface those already circulating in the field, and make the case for the coordinated, sustained investment this moment demands.

Introduction

Over the last several months, I sat down with more than 100 professionals working across the affordable housing and community development landscape. These conversations spanned the country and cut across every corner of the industry—nonprofit developers and mission-driven owners, public agencies, lenders, property managers, and entrepreneurs just getting started. The settings varied, and so did the local conditions. But the themes that surfaced were remarkably consistent.

What struck me most was that people weren't just venting about day-to-day frustrations. They were identifying structural constraints—the kind that shape how the entire system operates, not just any one organization. I invited each participant to weigh in on one or more of the following core challenges:

- The need to dramatically increase production and preservation of affordable housing;
- The fragility and homogeneity of the practitioner ecosystem responsible for that work; and
- The sector's limited capacity to understand and improve outcomes for the residents it serves.

What follows is a narrative synthesis of those discussions. It reflects both the technical realities of these challenges and the lived experience of the people navigating them every day.

Purpose

After more than 25 years leading affordable housing development and management organizations, I found myself at an inflection point—and I wasn't entirely sure what to do with it.

The challenges I'd been wrestling with weren't unique to the organizations I'd led—they were showing up everywhere. Individual organizations can get creative, find workarounds, and solve problems in the short term. But a lot of what's holding this sector back is structural, and structural problems don't respond well to one-off fixes.

I was also troubled by the growing distance between what affordable housing is supposed to accomplish and what the industry actually has the capacity to deliver. The scale of need—driven by generational poverty, too few pathways for emerging

developers, and a chronic shortage of affordable units—has simply outpaced the system’s ability to respond. Incremental progress wasn’t going to be enough.

So I decided to step back and listen. This project was an opportunity to hear directly from practitioners across the industry about what they’re experiencing on the ground. My goal wasn’t to produce an academic study—it was to gather honest, practical perspectives that could help shape more durable and scalable solutions.

Scope

My goal for these conversations was straightforward: hear from a wide range of people, stay grounded in a few key themes, and let the insights speak for themselves.

I wasn’t after a formal research framework—I wanted real conversations with people doing the work. Participants came from across the spectrum: large financial institutions and small businesses, public agencies and nonprofit organizations, equity providers, architects, attorneys, developers, property managers, asset managers, policy leaders, and service providers.

I invited participants to speak to any of three topic areas that I care deeply about and that I know matter broadly to the industry:

- Increasing housing supply;
- Diversifying and strengthening the practitioner ecosystem; and
- Improving resident outcomes.

I also encouraged folks to add their own key topics, and have tried wherever possible to incorporate those into this report.

I wanted these conversations to be genuinely useful to everyone involved—not just to me. My hope is that this report gives back something meaningful to the practitioners who generously shared their time, and adds to the ongoing conversation about where affordable housing and community development need structural focus.

The breadth and consistency of these conversations underscore that the challenges outlined in this report are not isolated to specific markets or organizations—they are systemic.

Acknowledgements

This report is grounded in the insights, experience, and candor of more than 100 professionals working across the affordable housing and community development sector. These individuals represent a broad cross-section of the field, including nonprofit and for-profit developers, public-sector leaders, lenders, investors, property and asset managers, service providers, and emerging practitioners:

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Their willingness to share their perspectives, often shaped by complex, high-stakes work in challenging environments, made this synthesis possible. Many contributed not only observations about current conditions, but also critical reflections on what is not working and where the field must evolve.

Note on Attribution - To encourage openness and candor, insights from these conversations are presented in aggregate and are not attributed to specific individuals or organizations unless explicitly authorized. Likewise, I have omitted the names of any participants who requested anonymity.

A System Struggling to Produce—and Preserve—at Scale

The most immediate challenge—and the one that was forefront in virtually every conversation—is the widening gap between the demand for affordable housing and the sector’s ability to supply it. [HUD](#) identifies that we are 40% below production requirements for very-low-income households. That shortfall increases to 60% among extremely low-income renters. Meanwhile, practitioners consistently describe a system that, while sophisticated in structure, is increasingly constrained in execution.

Affordable housing has always required stacking multiple financing sources, but that complexity has deepened considerably in recent years. The Low-Income Housing Tax Credit remains the backbone of the system, but it is showing signs of its age. Rising construction costs, higher interest rates, escalating insurance premiums, and local regulatory requirements have all pushed total development costs higher—while available subsidy sources haven’t kept pace.

The result is a persistent and growing financing gap—and fewer units getting built. Practitioners described projects that are fully designed, entitled, and community-supported, sitting stalled for months or years while developers hunt for additional soft funding. Some never move forward at all. Others get redesigned, value-engineered, or scaled back, often at the expense of units produced and long-term quality.

What makes this even harder is that the sector isn’t just struggling to produce new housing—it’s also struggling to hold onto what it already has. A significant portion of the affordable stock built over the past two to three decades is now due for recapitalization. Properties reaching the end of their initial compliance periods need major rehab, refinancing, or repositioning just to stay viable.

Most organizations will tell you honestly they’re not ready for this wave. Asset management functions—historically focused on compliance and reporting—are now being asked to play a much more strategic role in preservation. Meanwhile, the capital needed for these projects competes directly with what’s needed for new development. It’s increasingly a zero-sum choice: build new units, or preserve the ones we have.

And underneath all of this lies a fundamental capacity constraint. Even when capital is available, many organizations simply don’t have the internal bandwidth to execute at the scale required. Development teams are juggling increasingly complex transactions while

also managing growing portfolios of existing assets. This system isn't just underfunded—it's overstretched.

Sources & Uses

On the sources side, the traditional pillars of affordable housing finance are showing real cracks.

LIHTC equity is still the primary engine of affordable housing production, but the supply of credits is nowhere near sufficient for the demand in units. Allocations are heavily oversubscribed in almost every market. Even when applications succeed, projects often need multiple rounds and layered subsidies just to reach feasibility. And credit pricing has become increasingly volatile, adding another layer of uncertainty to deals that are already precarious.

Conversations with the investment community revealed some telling structural misalignments. Pairing equity and debt executions lets investors double-dip on CRA benefits and boost bank returns—but that doesn't necessarily translate into better pricing or better terms for sponsors. There's also a quiet reluctance among upper-tier investors to see the pool expand, since more competition would compress their returns. Meanwhile, the market is "struggling to clear," as one participant put it, with pricing and sponsor quality both cited as concerns. Investors, syndicators, and lenders alike described a clear preference for "surety of execution"—a great sponsor on a mediocre deal over a mediocre sponsor on a great deal. The system rewards relationships and track record, sometimes at the expense of getting more housing built.

Soft funding sources—HOME, CDBG, local housing trust funds, and other gap-filling tools—are increasingly constrained, and in some places are actively at risk of being cut. Federal allocations are declining in many jurisdictions, and local resources are being spread across competing priorities. Where soft funding exists, it's often too small, too slow, and too complicated to access. Developers talked about spending enormous time "chasing gap," stitching together multiple small sources that still fall short—while investors and lenders struggle to get comfortable underwriting the resulting layer-cake of requirements.

Debt financing has tightened as well. Higher interest rates have eaten into permanent loan proceeds by reducing debt service coverage capacity—meaning projects can support less debt than they used to. Lenders have also tightened underwriting standards across the board, applying more conservative assumptions on rent growth, operating

expenses, vacancy, and reserves. The combined effect is smaller loans and more scrutiny on deals that were already razor-thin.

Construction lending is equally constrained—more conservative loan-to-cost ratios, higher requirements around guarantees, contingencies, and predevelopment strength. For smaller nonprofits and emerging developers in particular, these conditions often function as a barrier to entry, or at minimum a significant drag on execution speed.

The net result is a capital stack that's not only harder to put together, but far less predictable. Even well-conceived, well-supported projects face prolonged timelines and a real chance of falling apart before closing.

Finding new funding sources—and getting smarter about how we use the tools we already have—is essential if we want to maintain, let alone expand, current production velocity.

While capital sources are tightening, development costs keep climbing.

Construction cost volatility is a central driver. Overall costs remain significantly elevated compared to historical norms, and while that's not unique to affordable housing, our sector carries some specific vulnerabilities. Beyond the well-known increases in material and labor costs, practitioners consistently raised a more structural problem: the limited pool of subcontractors with the sophistication and willingness to work on affordable housing projects. Regulatory complexity, smaller project sizes, and tighter margins push subcontractors toward market-rate work, reducing competition and driving up prices on the affordable side. Expanding and diversifying that subcontractor base came up repeatedly as something the industry needs to prioritize—but hasn't adequately supported.

There's also an ongoing effort to quantify cost inefficiencies in affordable housing construction relative to market-rate development—but it's proving difficult to get traction. The inputs are just too varied: funding priorities, code and design requirements, wage standards, energy and accessibility obligations, deal size and location, legal and underwriting complexity. Comparison is nearly impossible to standardize. The industry gets bad press for perceived inefficiencies, and yet we haven't developed a credible rebuttal—and more critically, we're no closer to the kind of efficiency gains that would meaningfully increase unit production.

Taken together, these dynamics point to a system with fundamental structural flaws: more time spent and more capital deployed per project, while producing fewer housing units overall.

Income & Expenses

Operators, lenders, investors, and allocators broadly agree: restricted rents are not keeping up with operating expenses, and the gap is widening.

In some cases, the mismatch is genuinely structural—stagnant Area Median Incomes, market saturation, and localized wage depression mean that even well-run, well-positioned organizations simply can't generate the rents needed to cover their operations.

In other cases, the problem is operational. Many owners and managers don't reliably maximize available rental assistance—the CHA is a clear example, where less than half of all operators request annual rental adjustments, or request nominal increases well below program limits. In Chicago, DOH policies further suppress achievable rents by artificially constraining increase requests. These aren't market failures—they're administrative ones, and they're fixable.

However, in a great many cases, the shortfall is driven—or made significantly worse—by economic occupancy. Vacant units and weak collections in the middle of a housing crisis are a real phenomenon, and they result in deals that can't match their underwriting and don't generate the cash needed to operate in today's inflationary environment.

Insurance premiums, utilities, maintenance, and staffing expenses have all risen sharply in recent years—and there's little reason to expect them to come back down. Allowable rent growth, especially in tightly regulated environments, can't offset these increases. So projects have to underwrite to higher operating cost assumptions and lower NOI, which in turn reduces permanent debt sizing and squeezes out practitioners who can't absorb the tighter margins.

To manage the added risk, lenders and investors are requiring larger operating and replacement reserves. That's a reasonable response from a risk management standpoint—but it also increases upfront capital needs and widens the financing gap further.

The downstream effect is smaller projects. As per-unit costs rise against fixed or capped subsidy allocations, the math supports fewer units. Developers are regularly forced to cut scope just to align with available funding—meaning fewer total units get delivered even when a deal successfully closes.

Layered on top of all this, practitioners across sectors flagged significant inefficiencies in project underwriting and due diligence. Siloed operations and inconsistent feasibility standards lead to duplicative or counterproductive underwriting iterations, repeated third-party reports, and ultimately, higher costs and longer timelines for everyone involved.

Preservation

Both practitioners and allocating agencies acknowledge that preservation is urgent. What's harder to admit—but came through clearly in these conversations—is that the field is not ready for the wave that's already approaching. According to the [National Housing Preservation Database](#), 8.6% of federally assisted homes face expiring affordability restrictions in the next five years—more than 440,000 units at risk. More than two million affordable homes are between 10 and 30 years old. And in 2024, the sector added 104,000 restricted units while losing 71,000, for a net gain of just 33,000.

One technical barrier that doesn't get nearly enough attention is the tax code's impact on preservation deal structuring. Anti-Churn requirements are already complicating re-syndication, and without meaningful change to tax policy, they'll have a chilling effect on future preservation activity. As banks consolidate and the investor pool stays flat, we're heading toward a scenario where many combinations of sponsor and investor are ineligible to claim credits altogether. There are already deals on their third syndication where creative accounting and non-member manager structures are the only viable path forward—a sign of just how constrained the system has become.

Regulation and Bureaucracy

Bureaucratic inefficiency is both a recurring frustration and, in some places, an area of real progress.

Allocating agencies are increasingly aware that large amounts of their soft resources are tied up in developments with little realistic prospect of repayment—money that could otherwise be recycled into future investments or preservation efforts, but currently can't be.

Practitioners also flag uncoordinated, duplicative, and sometimes contradictory local, state, and federal requirements. In Chicago, for example, affordable housing must satisfy the Chicago, Illinois, and International Energy Codes—before any additional green or sustainability features are even considered. Accessibility standards layer similarly, with local, state, and multiple federal requirements stacking on top of one another. Several respondents noted the irony that market-rate developers routinely value-engineer these same features out during construction, with limited oversight or compliance monitoring applied to their product type.

There's also an internal tension within financing agencies: they want greater credit efficiency, but the design standards and allocation priorities built into their programs often work against that goal. Enhanced sustainability, accessibility, density, and design requirements are genuinely worthwhile aims. But they come at a cost—and that cost translates directly into fewer units produced.

The regulatory burden also has deep historical roots. In the Chicago metro area, for instance, one lasting consequence of “white flight” is a patchwork of fragmented, duplicative, and inefficient taxing bodies. Many south and west suburban municipalities have multiple under-enrolled school districts competing for the same limited resources, losing efficiency, and driving up tax burdens on the very communities they serve. Consolidation in this space alone could generate meaningful savings for both the taxing bodies and the residents who depend on them.

That said, there are encouraging signs at multiple levels of government. Illinois is actively advancing regulatory reforms to streamline zoning and design review and increase density statewide. [JPMorgan Chase](#) has also published a useful white paper documenting comparable initiatives across the country.

But more is needed. Allocating agencies should take an honest look at whether their funding requirements are actually achieving intended priorities—or whether those priorities are coming at the cost of fewer units produced. Codes need to be reviewed and harmonized wherever feasible. And agencies overseeing labor compliance should revisit policies that effectively limit contractor participation, or invest in support systems that help smaller and emerging firms compete.

The Fragility (and Homogeneity) of the Practitioner Ecosystem

The production challenges facing this sector don't exist in a vacuum—they're rooted in a more fundamental problem: the limited depth, durability, and diversity of the practitioner ecosystem doing the work.

Across these conversations, there was near-universal agreement that institutional capacity across the sector is uneven—and in many places, increasingly fragile. This is particularly pronounced among smaller nonprofits, mission-driven developers, and emerging organizations, which typically operate with lean staff, limited internal infrastructure, and constrained balance sheets. These organizations are often the most deeply embedded in the communities they serve. Yet they're being asked to execute transactions and manage portfolios at a level of complexity that used to be associated with much larger, better-resourced enterprises.

Workforce came up constantly as a pressure point. Practitioners described real difficulty finding and keeping experienced people, especially in mid-level development, asset management, and finance roles. Pay gaps between affordable housing and adjacent real estate sectors keep pulling experienced professionals toward the exit. And as transactions get more complex and compliance obligations multiply, the workload on the people who stay keeps growing.

The result is a growing capacity gap across the ecosystem. Organizations are perpetually in reactive mode—managing immediate deal demands rather than investing in long-term institutional resilience. Growth is often driven by whatever funding opportunities are available, not by deliberate strategy. That creates strain, especially when operational infrastructure, staff, and systems haven't kept pace with development activity.

These pressures land especially hard on emerging developers and new market entrants. People and organizations trying to break into the field—particularly those led by or serving historically underrepresented communities—face real structural barriers. Predevelopment capital is hard to access. Relationships with lenders, investors, and public agencies take time to build, and you can't build them without a track record. Meanwhile, the technical, legal, and regulatory expertise needed to navigate a deal has become increasingly specialized and increasingly hard to obtain.

Even when those barriers can be partially overcome, the broader system continues to favor established players with demonstrated execution histories and longstanding

institutional relationships. Investors, lenders, and public agencies all described a growing preference for “certainty of execution”—understandable given today’s capital environment, but a dynamic that reinforces concentration within the sector and limits the pipeline of new, diverse practitioners.

The long-term implications are hard to overstate. An ecosystem that lacks depth and diversity is less capable of innovation, less resilient to disruption, and less equipped to meet the scale of the housing crisis. Without intentional investment in organizational capacity, workforce development, and clear pathways for emerging developers, the sector risks becoming more consolidated, more fragile, and ultimately less capable of delivering equitable housing outcomes at the scale the moment demands.

The “LIHTC Treadmill” and Organizational Drift

A theme that kept surfacing across interviews—sometimes named directly, sometimes just described—was what one practitioner dubbed the “LIHTC treadmill.”

For many organizations, long-term sustainability has become inseparable from continuous production. Developer fees, overhead recovery, and future cash flow all depend on closing the next transaction. That creates a system that rewards constant pipeline growth and prioritizes execution speed—leaving little room to step back, recalibrate, or invest in the organization itself.

The result is that deal velocity consistently wins out over building the systems needed to support long-term portfolio performance. Asset management infrastructure, staff training, internal operations, and organizational planning all get pushed to the back burner in favor of near-term production demands.

The structural imbalance this creates is real. Organizations stay busy and keep producing—but many are doing so without building the internal capacity, operational resilience, or strategic depth needed to sustain that growth over time.

Diversity

Diversity within the practitioner ecosystem isn’t a nice-to-have—it’s fundamental to the sector’s ability to do its job well. Practitioners with lived experience bring insight, trust, and community understanding that can’t be replicated through technical training alone. The communities this work is meant to serve are best supported by organizations and leaders who understand their histories, constraints, and priorities from the inside. As the

sector continues to invest in equity and community-centered development, the case for minority-led and non-traditional practitioners only gets stronger.

Emerging developers I spoke with were candid about their experiences trying to enter the field. Most had gone through programs designed to expand access to affordable housing development for historically underrepresented groups. Though these initiatives varied in structure and sponsorship, participants described strikingly similar experiences across programs.

Programs such as African American Real Estate Professionals of Chicago ([AAREP](#)), [ACRE](#), [NextGen](#), [Equitable Path Forward](#), [R.E.D Academy](#), and [Project REAP](#), provide meaningful exposure to the industry through training, networking, mentorship, and, in some cases, access to early-stage capital. Participants consistently cited several benefits:

- Foundational exposure to LIHTC development structures and terminology;
- Access to relationships and professional networks necessary to navigate development transactions;
- Peer support and mentorship opportunities that reduced barriers to entry into an otherwise relationship-driven industry.

At the same time, participants were clear about where these programs fall short—particularly the gap between introductory exposure and the operational knowledge actually needed to execute and sustain a development platform.

Most programs offered little meaningful education on asset management, property operations, or long-term compliance. Critical technical concepts—tax credit basis calculations, tax code structuring, underwriting assumptions—were often introduced procedurally rather than substantively. Participants noted minimal engagement with partnership agreements, operating agreements, adjuster mechanisms, reporting requirements, audits, representations and warranties, or the legal architecture that underpins these transactions.

Organizational infrastructure and business formation were similarly underaddressed. Emerging developers were largely left to figure out on their own how to structure entities, plan for taxes, build financial management systems, develop staffing models, and set up governance. Many of these programs successfully introduced people to affordable housing development—but stopped far short of preparing them to build the kind of durable, scalable organizations needed to sustain production over time.

Participants also remarked on the notable absence of practical case-study work or “failure-based” learning. Very few programs examined distressed transactions, compliance failures, partnership disputes, construction overruns, or operational breakdowns—the situations that most often determine whether an organization survives. So many emerging practitioners enter the sector with solid conceptual grounding, but limited readiness for the messy, high-stakes realities of affordable housing execution.

These gaps go a long way toward explaining why many investment strategies launched over the past five to seven years to support emerging developers have produced mixed results. Capital initiatives and targeted diversity programs have helped raise visibility and open doors—but they haven’t reliably translated into durable growth of the emerging developer ecosystem. The core issue isn’t just access to capital. It’s the absence of comprehensive institutional capacity-building.

Smaller organizations and emerging developers also run into serious structural barriers when trying to access credit and institutional financing. Net worth, liquidity, and guarantor requirements routinely exceed the balance sheet capacity of newer organizations—regardless of project quality or community impact. Practitioners described a system increasingly tilted toward “certainty of execution,” where institutional stakeholders prefer great sponsors over great developments.

Underwriting standards from organizations like the Affordable Housing Investors Council (AHIC) reinforce this dynamic. [Recent revisions](#) may help at the margins, but many emerging developers still find themselves forced into partnerships with larger organizations just to get financing and satisfy liquidity requirements. In those arrangements, smaller sponsors frequently give up meaningful economic participation while continuing to carry a disproportionate share of execution risk and community accountability.

The net result is an ecosystem that publicly champions diversification while structurally limiting new entrants’ ability to scale. Without deeper investment in organizational capacity, operational training, and long-term balance sheet development, the pipeline of emerging and minority-led developers will stay constrained—limiting both equity within the sector and the industry’s broader ability to meet future housing production and preservation needs.

Capacity

Organizational capacity came up in virtually every conversation as a defining constraint on both production and long-term resilience. Staffing shortages, limited technical expertise, thin balance sheets, and prolonged development timelines all reduce the sector's ability to execute at scale. And this isn't just a small-organization problem—even large, well-capitalized organizations described a system that is increasingly stretched past its limits.

Originations and Development

For small and emerging developers, these challenges hit especially hard. Many organizations described real success in sourcing deals—strong origination pipelines, meaningful community relationships—but then struggled to move projects efficiently from pipeline to closing. In some cases, success itself became the problem: an abundance of new opportunities created operational bottlenecks, overwhelming lean development teams and straining internal systems. Others, working through a smaller or more inconsistent deal flow, found it hard to recruit and keep experienced staff capable of navigating increasingly complex financing, underwriting, and regulatory environments.

The result is a development landscape where organizational ambition routinely runs up against execution capacity. Emerging developers—especially those without deep institutional relationships or strong balance sheets—face longer timelines, more transactional friction, and greater operational risk. But larger, more established organizations aren't insulated either. As deals take longer to capitalize and close, development cycles increasingly overlap, creating staffing strain across acquisition, underwriting, legal, and closing functions alike.

These dynamics point to a system-wide constraint that goes beyond any single organization: a development ecosystem that is not only under-resourced, but increasingly overextended. As transactions grow more complex and timelines become less predictable, organizations across the sector are absorbing more operational burden with little to no additional capacity—reducing production efficiency and narrowing the window for sustainable growth.

Asset Management & Portfolio Health

The conversations around portfolio performance were among the most candid I had. Practitioners pointed consistently to a national backlog of delayed lease-ups, with credit adjusters now materializing across markets as a result. Particularly striking was the frequency with which properties are triggering 15-year credit events—an outcome many described as unprecedented in their experience and a clear signal of deeper structural strain in execution capacity and stabilization timelines.

At the same time, sponsor behavior is sending clear distress signals. Requests to change management companies are happening at what many describe as historic rates—and notably, the moves aren't going in one direction. Some organizations are stepping away from self-management, betting that third-party operators will bring more discipline and stability. Others are moving in the opposite direction, pulling management in-house after concluding that outside operators haven't delivered. Both impulses reflect the same underlying reality: persistent staff burnout, difficulty recruiting and retaining at every management level, mounting compliance complexity, and insufficient institutional capacity to keep up with increasingly demanding operational workloads.

Workforce Strain, Management Volatility, and Systemic Capacity Limits

Taken together, these dynamics point to a broader fragility in the practitioner ecosystem. Organizations are trying to adapt, but their flexibility is increasingly hemmed in by labor market pressures and internal bandwidth limitations. Across firms, respondents described a compounding struggle to recruit and keep qualified staff—particularly in mid-level roles where technical expertise and leadership capacity have to coexist. Pay gaps relative to competing sectors, long development timelines, and escalating regulatory and reporting burdens all feed burnout and keep turnover risk high.

Management strategy changes, as a result, tend to be reactive rather than structural—organizations swinging between internal and outsourced models in search of some stable operational footing. But these transitions rarely solve the underlying problems; more often they just move the pressure around within an already strained system. The cumulative effect is less execution consistency, more transactional friction, and a diminished capacity for sustained portfolio optimization.

NOAH Expansion Efforts and Structural Incompatibility with LIHTC Operating Models

Several respondents noted growing organizational interest in the preservation and expansion of Naturally Occurring Affordable Housing (NOAH). But despite that strategic attention, many LIHTC practitioners acknowledged a fundamental mismatch between

NOAH deal structures and the LIHTC operating and underwriting frameworks they know. Differences in policy requirements, financial structuring norms, and asset management approaches have made blending the two models difficult—and there’s little evidence yet of scalable success in doing so.

One operator put the operational tension plainly:

“We can’t manage thousands of units one way and hundreds of units another, and so we apply the most restrictive policies across the board. We are swatting flies with sledgehammers.”

That captures something important about where the sector is right now: without differentiated operating infrastructure, organizations fall back on uniform compliance regimes—even when that standardization undermines efficiency, flexibility, and the long-term preservation potential of smaller or structurally distinct portfolios.

Organizational Assessments and Succession Planning

Organizational continuity came up repeatedly as a concern—and not an abstract one. High-profile collapses like Heartland Housing and Skid Row Housing Trust, alongside portfolio repositionings and sales activity across multiple markets, have focused real attention on the risks that come with leadership concentration. Organizations built around a single, highly influential executive are particularly exposed when that leader passes or steps down. Woodlawn CDC under Leon Finney Jr. and WECAN under Mattie Butler were frequently cited examples, as were portfolio restructuring efforts by Brinshore/Michaels and Holsten Development—all of which demonstrated how quickly leadership transition risk can translate into organizational instability and portfolio-level uncertainty.

Smaller and emerging organizations face a related but distinct set of challenges around scale and operational capacity. Managing a growth trajectory while simultaneously building the infrastructure to sustain it is genuinely hard—especially when it comes to back-office functions like HR, IT, accounting, and legal and compliance support. Limited access to shared or pooled service models, particularly in insurance procurement and portfolio management systems, compounds the problem. Broader availability of these shared tools could meaningfully reduce the burden on individual organizations. Collectively, these constraints reflect a system where organizational ambition and sectoral need consistently outpace the administrative and institutional supports that would allow organizations to execute reliably and grow with resilience.

The Missing Link: Understanding and Advancing Resident Outcomes

While production and organizational capacity dominated many conversations, the third theme generated some of the most impassioned responses: the sector's limited ability to define, measure, and actually improve outcomes for the residents it exists to serve.

There's broad agreement in the field that affordable housing isn't an end in itself—it's a platform for broader social and economic stability. Stable housing supports better health, educational attainment, workforce participation, and overall well-being. That much is understood. What's missing is the infrastructure to actually track and demonstrate those connections at scale.

In practice, most data collection is driven by compliance requirements—income verification, occupancy levels, regulatory metrics. These are necessary, but they tell us almost nothing about how residents are actually faring over time. A small subset of organizations have developed more robust approaches, typically tied to specific resident services programs or funding obligations. But these efforts are scattered and rarely standardized.

The absence of shared metrics creates cascading problems. Organizations can't accurately assess the effectiveness of their own programs. Funders lack comparable data to guide investments. Policymakers don't have the evidence they need to support broader system-level decisions. Without a common framework, the sector stays stuck at the level of anecdotal success stories and can't move toward scalable strategies.

Operationally, resident services are often disconnected from the core functions of housing management. Property management, asset management, and services teams frequently work in silos, with separate funding streams and separate data systems. That fragmentation makes it nearly impossible to bring resident-level insights into property-level decisions or long-term portfolio strategy.

Funding structures add another layer of difficulty. Resident services typically run on time-limited grants or philanthropic support—not embedded in operating budgets or capital planning. That creates ongoing uncertainty and limits the ability to sustain or expand programs. It also discourages investment in data systems and evaluation, which tend to be treated as secondary to direct service delivery.

The result is a sector that genuinely cares about resident outcomes—but lacks the infrastructure to consistently measure or improve them.

The Measurement Gap—and Why It Matters

Most organizations can point to compelling individual success stories. The harder question—which the field still struggles to answer—is which interventions actually work, which investments generate the greatest impact, and which models can realistically be taken to scale.

The absence of shared metrics creates real constraints at every level of the system.

At the organizational level, the gap limits real operational and strategic progress. Organizations investing significant resources in resident services, workforce initiatives, educational partnerships, or community-building often don't have the systems, staff, or analytical tools to know which efforts are actually producing results. They end up relying on anecdotal evidence, individual resident stories, or short-term participation numbers rather than longitudinal, data-driven evaluation. That makes it nearly impossible to distinguish programs that are truly transformational from those that are simply well-intentioned. Resource allocation decisions—staffing, program expansion, funding priorities—get made without clear evidence of what's working. In an environment where financial and operational capacity is already stretched thin, that leads organizations to spread limited resources too broadly rather than concentrating investments where they'll have the most impact.

At the capital level, the lack of standardized outcomes data constrains both innovation and investment. Funders, lenders, public agencies, and philanthropic institutions increasingly want measurable impact alongside financial performance—but the sector doesn't yet have widely adopted metrics that let investors compare outcomes across organizations, projects, or service models. Unlike healthcare, where standardized data systems guide policy and reimbursement structures, affordable housing remains fragmented in how it defines and reports success. That fragmentation makes it hard for funders to spot high-performing models, assess the effectiveness of supportive services, or understand how housing investments contribute to broader social and economic outcomes. Outcomes-based financing structures—social impact investing, pay-for-success, performance-based funding—remain underdeveloped as a result. Even when organizations make strong claims about their impact, those claims are difficult to validate consistently across geographies, populations, and operating environments—which limits the sector's ability to attract larger pools of mission-aligned capital.

At the policy level, the absence of reliable and comparable outcomes data weakens the broader case for systemic investment in affordable housing. Policymakers may acknowledge the importance of stable housing, but without evidence that identifies which interventions produce the strongest outcomes in health, education, economic mobility, and community stability, it's hard to justify scaling specific models or directing resources toward evidence-based strategies. This also contributes to affordable housing being undervalued compared to sectors like healthcare, where strong data infrastructure and measurable outcomes have helped secure substantial public and private investment. Housing is increasingly recognized as a social determinant of health and economic stability—but the sector hasn't yet built the measurement frameworks needed to fully demonstrate and quantify that value.

Critical Blind Spots

A few specific gaps came up repeatedly across conversations:

Eviction housing stability and economic advancement metrics: There is limited to no standardized tracking of household tenure, eviction prevention, or economic mobility. Significantly, this lack of data precludes the ability to implement policies that stabilize residents while also stabilizing portfolio health.

Cross-sector data integration: There are limited examples of linkage between housing data and healthcare, education, or workforce systems. Where they do exist (as in the case of Enterprise Community's [Health Action Plan](#)), the focus is on program design, while long-term tracking and outcomes are under-prioritized and insufficiently resourced.

Comparability: Lack of consistent definitions or benchmarks across organizations make system critique or comparison all but impossible. This lack of comparability results in uneven outcome tracking and verification, and materially limits data aggregation. Even where large-scale data initiatives exist, they have yet to meaningfully shift practice. Efforts to aggregate "big data" at the industry level have struggled to gain traction, particularly among private capital providers.

Longitudinal tracking: Financial constraints, lack of shared definitions and limited data pooling results in minimal ability to follow resident outcomes over time or across properties. Fundamentally, this lack of information, and an ability to address the root causes of income disparity and housing instability, limits the industry's ability to positively advance families out of affordable housing.

Without a shared framework for defining, measuring, and evaluating outcomes, the sector will remain stuck—capable of pointing to isolated successes but unable to build the replicable, scalable strategies needed to drive systemic change. Establishing shared metrics, stronger data infrastructure, and more consistent evaluation practices isn't just about improving resident outcomes. It's essential to strengthening organizational performance, attracting investment, informing policy, and making the case for housing as a foundational component of thriving communities.

Recommendations & Next Steps

These challenges are significant—but they’re not without solutions. What follows is a set of recommendations drawn from these conversations. Some are my own; most of the better ones came from participants. Not all are immediately actionable, and some would require real shifts in how the industry operates. But they reflect where the field’s own practitioners see the most promising paths forward.

Housing Supply

Before getting into specific recommendations, one perspective from these conversations is worth highlighting because it challenged some common assumptions: the default rate in affordable housing is extremely low—long held up as a badge of honor that attracts lenders and investors and feeds policy narratives. But that same low default rate points to a system so risk-averse that it limits exploration, creativity, and the pace of expansion. A somewhat higher default rate—within reason—might actually be a sign of a more productive, more ambitious sector.

Sources & Uses

We must do more to put every dollar to its best use: production.

1. Optimize Existing Resources

- Expand investment in Assisted and Supportive Living Facilities (A/SLF), particularly as the sector prepares for a growing population of elderly and medically vulnerable residents. Expand and repair Medicaid billing models that limit the number of deals and investors in this space.
- Improve the repayment and recycling of soft funding sources. In many cases, allocating agencies subordinate substantial soft loans to smaller, higher-interest private debt. By increasing the amount of lower-cost soft financing in the permanent capital stack, agencies could reduce overall debt service pressure while generating modest repayment streams that can be redeployed into future developments.
- Identify models that successfully leverage revolving or evergreen structures. [Century Housing](#) in California, for example, transformed more than \$1 billion in settlement funds into a long-term, reusable affordable housing loan platform.
- Agencies in particular should lean in to being the first and largest money in the deal. Small “gap-fill” funding sources often create disproportionate administrative, legal, and compliance burdens relative to their impact on project

feasibility. Larger, earlier, and more coordinated capital commitments produce more efficient outcomes. As a developer, the few times that I have been given the freedom to develop a concept under a defined capital stack, I was able to create more units at a faster pace than when cobbling sources together, and meeting varied requirements.

- Funding partners—Agency, Lender, Investor—should systematically align underwriting standards, compliance requirements, and closing processes to reduce transaction friction and accelerate execution. This sounds obvious, but in practice it rarely happens. Every additional party with divergent requirements adds weeks or months to a closing timeline, generates redundant third-party reports, and increases the likelihood that a deal falls apart or increases costs. Investors and HFAs are well-positioned to drive this alignment—but it requires someone taking ownership of the process rather than each party optimizing for their own requirements in isolation.

2. Identify New Models

- Elevate private-market case studies, including Naturally Occurring Affordable Housing (NOAH) preservation strategies and mixed-income developments that utilize tax incentives outside of traditional LIHTC structures. As noted in Diversity and Capacity below, this is especially true for emerging developers who may find themselves on more sound operational and financial footing eschewing traditional LIHTC structures.
- Several organizations have successfully leveraged municipal General Obligation Bonds to support affordable and workforce housing initiatives—but the knowledge of how to structure, advocate for, and execute these programs is fragmented and inaccessible to most practitioners. GO bonds can mobilize meaningful capital at lower cost than conventional financing, and voter appetite for housing investment has proven durable in many markets. What’s missing is a practical playbook: how to build the coalition, structure the ask, engage the development community, and deploy proceeds efficiently. A well-designed resource of this kind—grounded in real case studies from Denver, Atlanta, and elsewhere—could meaningfully expand the use of this tool in markets where it has yet to gain traction.
- Many faith-based organizations control strategically located, tax-exempt land and already operate shelter or service programs—yet remain largely untapped as development partners. The sector has historically underinvested in these relationships, often because the organizational capacity to structure and execute a ground lease or joint venture doesn’t exist on either side of the table. That’s a solvable problem. Faith communities bring land, community trust, and often a

direct service infrastructure that affordable housing developers spend years trying to replicate. The opportunity is especially significant in Permanent Supportive Housing (PSH) and housing targeted to Extremely Low-Income (ELI) households—where the combination of trusted community presence and tax-exempt land can meaningfully change deal feasibility. Funders and intermediaries should invest in the capacity-building and legal infrastructure needed to unlock this pipeline at scale.

- While not without controversy, some municipalities are also studying international housing models, including [Vienna's](#) cost-based, limited-profit, and social housing frameworks, as potential long-term references for public-sector intervention and affordability preservation.
- There is a significant need for and value in stronger engagement from the philanthropic sector, particularly in Chicago. [Invest Atlanta](#), for example, offers a model that aggregates affordable housing and community development funding opportunities and regularly shares them with philanthropic institutions, creating clearer pathways for targeted investment. Foundations and donors are seeing real value in putting hard capital dollars into production, and more should follow suit.

3. Minimize Cost Impacts

- Allocating agencies should reevaluate existing housing policies and program requirements to better understand unintended cost drivers and assess whether current priorities are delivering sufficient value relative to their impact on production.
- Agencies and municipalities should revisit regulatory barriers that limit competition within the subcontractor and specialty trade ecosystem, particularly for smaller and emerging firms.
- In parallel, expand agency or funding support for subcontractor compliance management and technical assistance, helping smaller firms navigate administrative requirements while broadening the pool of qualified participants. By way of example, if the City of Chicago was focused on expanding the small M/WBE contractor pool, their interventions would be in supporting compliance, not just tracking it and fining organizations who cannot comply.

Preservation Strategies

The preservation challenge requires its own toolkit.

1. Overcome Regulatory Burdens

- Exempt LIHTC investors from Anti-Churning restrictions, easing constraints and expanding competition for subsequent recapitalization.
- In lieu of the above, develop an Anti-churn tracking database that identifies all investors for every deal, making subsequent recapitalization somewhat more streamlined during underwriting and the bid process.
- Revisit Allocation Plans to identify policy initiatives that significantly increase costs for renovations, including accessibility, sustainability, and deeper income targeting beyond legal or investor requirements. In other words, limit threshold requirements to the bare minimum to encourage the maximum amount of units preserved.

2. Implement New Approaches

- Aggregate smaller portfolios or create developer pools to improve recapitalization efficiency, potentially at the HFA level. While not ideal in all cases, [Michigan](#) offers a direct loan fund using 4% bond proceeds, which can reduce the fixed costs of bond executions, especially for smaller developments.
- Develop targeted preservation funds or set-asides separate from new production, and bifurcate strategies that support developments in need of limited renovation (1-2 systems).
- Enact or expand State Tax Credits that pair with Federal 4% LIHTC, as with the proposed [Build Illinois Homes State Tax Credit](#).

Income & Expenses

Alleviating constraints in underwriting and operations can increase production and stabilize properties, producing more units and delaying the need for formal immediate preservation strategies.

1. Increase Income Efficiency

- Develop a national database of underutilized rental assistance and vouchers. The current system leaves billions of dollars in available subsidy unclaimed or misallocated every year—not because the need doesn't exist, but because the information infrastructure to match supply and demand doesn't. In Chicago, less than half of CHA operators request annual rental adjustments, and many of those who do request far less than program limits allow. That is not a tenant problem or a market problem—it is an information and administrative capacity problem. A centralized, publicly accessible resource that maps available assistance by program, geography, and household type would allow operators, case managers, and residents to access what already exists rather than leaving it on the table.

- Debt or Equity asset managers should proactively work with their sponsors—especially smaller or emerging operators—to ensure subsidized rent increases are claimed timely and at the maximum level of funding.
- Agencies like DOH should revisit rent increase policies that artificially limit income growth without consideration of the actual condition of residents or operators.

2. Activate New Income Streams

- Solicit funding from Healthcare providers and insurers tied to positive health outcomes.
- Ease the structural and regulatory burdens that prevent Employer-Sponsored Housing and Master Leasing from scaling. These are not new concepts—they were common in earlier eras of American housing development—but layers of zoning restrictions, tax treatment uncertainty, and administrative complexity have made them operationally difficult for most organizations to pursue. In tight labor markets, employers are genuinely motivated to help solve their employees' housing challenges, and some are willing to put capital toward it. The sector needs legal templates, tax guidance, and program models that make it straightforward to structure these arrangements—rather than requiring every interested employer to reinvent the wheel with expensive legal and accounting support. Master leasing, similarly, can be a powerful tool for expanding access and stabilizing buildings—but inconsistent agency policies and unclear underwriting treatment have limited its use in markets where it could have the greatest impact.
- Streamline the housing funds available for behavioral health, medical respite, and other supportive programs so they can be paired more effectively with LIHTC—particularly as operating subsidies tied to resident performance outcomes. Right now, the disconnect between housing finance and healthcare funding systems creates a situation where the same resident can generate substantial savings for a Medicaid program or hospital system while the housing provider supporting their stability operates at a loss. That is a structural failure with a structural solution. Healthcare systems and insurers already pay for medical respite in some markets—but inconsistent eligibility standards, fragmented contracting, and the absence of shared outcome metrics make this the exception rather than the rule. Aligning these funding streams requires sustained effort across housing, healthcare, and government agencies—but the return on investment, measured in both cost avoidance and resident stability, justifies the complexity.

3. Limit Expense Growth

- Identify and develop opportunities for pooled portfolio or multi-sponsor savings, including bulk utilities, insurance, and purchasing programs. This is one of the most straightforward and underutilized levers available to the sector. Insurance costs have increased dramatically in recent years, in part because individual organizations negotiate in isolation against providers who aggregate across massive books of business. The same is true for utilities, software, compliance services, and a range of other operating expenses. Intermediaries, trade associations, and HFAs are natural conveners for these arrangements—but most have not pursued them with the urgency the current operating environment demands. A coordinated push to aggregate purchasing power across even a subset of the sector’s operators could generate meaningful savings that flow directly to NOI, without requiring any change to regulation, financing, or development practice.

Capacity and Diversity

If the sector is going to meaningfully address the unmet need in housing production, diversity and organizational capacity can’t be treated as secondary priorities. They need to be understood—and funded—as core infrastructure.

Build Resiliency

Capacity and production are not separable.

Efforts to increase housing supply will underperform if the organizations responsible for delivery are understaffed, under-capitalized or operationally fragmented.

Conversely, investments in organizational strength—balance sheets, systems, people—have a multiplier effect on production, preservation, and resident outcomes. Following are recommendations to strengthen and expand the practitioners working in this space:

1. Invest in Organizational Capacity

- Investors and lenders already underwrite sponsors and present risk mitigation strategies. Expand this into true organizational assessments with information, recommendations, and resources, provided to participating sponsors.
- Provide access to industry resources, support professional memberships, and invest in training for developers, owners, and key staff. This sounds basic, but the reality is that smaller and emerging organizations often cannot afford the conference registrations, association dues, and continuing education that allow

larger organizations to keep their teams current and connected. Industry knowledge is not evenly distributed—it moves through networks, and access to those networks is not free. Investors, syndicators, and lenders who benefit from a healthier, more capable sponsor pool should view this kind of investment as both a portfolio management tool and a market development strategy. A small annual commitment per portfolio organization would yield returns far exceeding the cost.

- Project impact grants are great, but organizational support not tied to any one deal can mean the difference between growth and stagnation, or worse, decline.
- Provide funding for succession planning, or provide tools, templates and training for the particularly small and emerging organizations that are most at risk of collapse without strong leadership.
- Build on preexisting platforms or reauthorize programs that have been sunset (like LISC's [Organizational Development Initiative](#)) that convert capital into capacity.

2. Balance Sheet and Risk Support

- Establish balance sheet funds and provide guarantee backstops, not just for small or emerging groups, but, as with insurance, in a manner that blends risk profiles.
- Provide credit enhancement tools that allow organizations to take on projects without taking on existential risk. The current system places an enormous burden of personal and organizational guarantee on sponsors—particularly completion guarantees, operating deficit guarantees, and repurchase obligations. For well-capitalized organizations, these are manageable. For smaller nonprofits and emerging developers, they are often deal-killers, or worse, slow-moving threats that surface years later when something goes wrong. Guarantee pools, first-loss facilities, and partial credit enhancements exist in other lending contexts but have not been widely adopted in affordable housing finance. Philanthropic capital is well-suited to absorb this first-loss position—creating a structure where mission-aligned risk capital opens the door for a broader pool of sponsors to participate without betting their organizations on a single transaction.
- Develop and share strategies, tools, and templates for risk management that make underwriting easier while building genuine organizational resilience. Too many organizations manage risk reactively—responding to problems as they arise rather than anticipating them through disciplined portfolio monitoring, stress-testing, and contingency planning. Part of the problem is that small and emerging organizations simply don't have the internal capacity to build these systems from scratch. Standardized risk dashboards, asset management frameworks, and early-warning indicators—developed by experienced practitioners and made freely available—could meaningfully raise the floor across the sector. Lenders and

investors who already require some version of this information for their own reporting are natural partners in developing and disseminating these tools.

3. Predevelopment and Early-Stage Capital

- Create dedicated, low-cost predevelopment funds, especially at the Philanthropic and Agency level.
- Pair funding with technical assistance, reducing execution risk and increasing the potential for quality outcomes and organizational growth.

4. Shared Services and Fractional Infrastructure

- Provide access to fractional executive, financial, and compliance functions for organizations that cannot justify or afford full-time hires in these areas. A small nonprofit developer with two or three projects in the pipeline does not need a full-time CFO—but it does need CFO-level judgment when structuring a deal, closing a year-end audit, or navigating a compliance inquiry. The fractional model is well established in other sectors but has not gained meaningful traction in affordable housing, largely because the intermediary infrastructure to broker and quality-control these relationships doesn't yet exist at scale. Building that infrastructure—whether through intermediaries, trade associations, or purpose-built platforms—would allow smaller organizations to access the expertise they need without the overhead that currently puts it out of reach.
- Develop shared service platforms—IT systems, property management software, accounting platforms, and compliance tools—that smaller organizations can access without building or licensing them independently. The cost and complexity of standing up these systems is a meaningful barrier for organizations early in their development arc, and the fragmentation of platforms across the sector makes data aggregation and benchmarking almost impossible. A well-designed shared platform doesn't just reduce individual organizational costs—it creates the infrastructure for sector-wide learning, portfolio comparisons, and outcomes tracking that the industry currently lacks entirely.
- Reduce the need for each organization to independently build full back-office capacity through portfolio or bulk arrangements. The current model essentially requires every affordable housing organization—regardless of size—to replicate the same administrative infrastructure from scratch. That is an enormous and largely invisible drain on the sector's collective capacity. Aggregating back-office functions across organizations, whether through formal shared service entities, HFA-sponsored programs, or intermediary-managed platforms, could free up substantial organizational bandwidth for mission-critical work while reducing per-unit overhead costs that ultimately flow through to deal feasibility.

5. Strengthen Property and Asset Management Supports

- Increase compensation and professionalization of property management roles, including onramps and career pathways.
- Integrate property management into the development process earlier—beginning at design, not at lease-up. This is a discipline failure I have observed consistently over 30 years: development teams design and build properties without meaningful input from the people who will operate them, then hand off a finished product that is expensive to maintain, difficult to staff, and misaligned with resident needs. Unit layouts that ignore operational realities, mechanical systems that require specialized maintenance, and common areas that create management burdens are all symptoms of a process that treats operations as a post-completion problem. The best developers I know run development and management as integrated functions from day one—and their properties show it in lease-up speed, operating stability, and long-term asset performance.
- Align staff pay and organizational incentives with resident outcomes and asset performance, and support those initiatives with capital.

Diversify the Ecosystem

Addressing homogeneity requires intentional, sustained intervention—not just good intentions.

1. Workforce Development and Career Pathways

- Build structured training pipelines beyond the nuts and bolts of development. Include deeper analysis of organizational setup and case studies of problems across all stages of the development lifecycle.
- HFAs in particular could lean-in to the perception that they are a farm system for the industry. Design institutes or fellowships, and provide incentives for developers and sponsors who hire from these pools into mid or upper-level positions.
- Invest in “ride-along” mentorship models and mid-career training programs focused on asset management, finance, and leadership. The most effective professional development in this industry has always been experiential—sitting in a partnership meeting, working through a Year 15 exit, navigating a troubled asset, or watching how an experienced developer structures a difficult conversation with an investor. Formal training programs can introduce concepts, but they cannot replicate the judgment that comes from doing the work alongside someone who has done it before. Structured ride-along arrangements, where

emerging or mid-career professionals are embedded with experienced practitioners on real transactions and portfolio decisions, would accelerate development in ways that no classroom curriculum can match. The sector should treat this as an investment in its own future capacity—not as a favor to individual practitioners.

- At a structural level, the industry must move beyond a model where LIHTC development is the only viable entry point into real estate. Alternative pathways—NOAH preservation, small-scale development, adaptive reuse—can serve as more accessible, and potentially less risky, alternatives to the sector.

2. Standardized Education and Transparency

- Demystify the core legal and financial architecture of the business—reps and warranties, operating agreements, capital flows from predevelopment through Year 15, risk allocation, and guarantees. These are not advanced topics reserved for experienced practitioners. They are foundational to understanding what you are agreeing to, what you are liable for, and how value is distributed across a transaction. Yet most emerging developers describe encountering these concepts for the first time in a live deal—when the cost of misunderstanding them is highest. Investors and syndicators in particular have an obligation here: they are the parties who draft these agreements, hold negotiating leverage, and have the most to gain from a better-informed sponsor community. Publishing plain-language explanations of standard terms, common negotiating points, and typical risk allocations would cost very little and would substantially raise the quality and equity of the transactions the sector produces.
- Create open-source tools and templates that allow organizations to build internal infrastructure without starting from scratch. Governance documents, operating agreement frameworks, organizational chart templates, succession planning guides, risk assessment checklists—none of these need to be reinvented by every organization entering the field. At the investor and syndicator level in particular, there is an enormous opportunity to provide organizational infrastructure support as a standard part of the sponsor relationship rather than as a rare exception. The organizations best positioned to produce high-quality housing at scale are not those who have figured out how to build all of this themselves—they are those who have been given the tools, training, and support to do so. Making those resources freely available is one of the highest-return investments the sector could make.

Resident Impact

The sector doesn't lack commitment to resident outcomes—it lacks the infrastructure to consistently understand and improve them. Closing that gap requires shared definitions of success, integrated systems, sustainable funding, and a shift in how the industry defines its own performance: not just what it produces and preserves, but what it enables.

1. Establish a Core Outcomes Framework

- The field doesn't need to measure everything—but it needs to measure the right things consistently. A baseline framework should include housing stability (tenure, eviction prevention, lease compliance), economic mobility (income trends, employment stability), health proxies (service utilization, self-reported well-being), and education indicators for family housing.
- Metrics should be standardized enough to allow comparison across organizations, yet flexible enough to reflect different populations and operating models. The [Multifamily Impact Council's](#) framework is a useful starting point, though it needs deeper integration, centralized reporting, and broader adoption to drive real practice change.
- Establish industry-wide definitions and benchmarks—similar to AHIC's role in underwriting standards—to enable meaningful comparison and aggregation of outcomes data across the sector.

2. Integrate Data Across Functions

- Outcomes data cannot live only in resident services. It needs to flow into property management systems (rent trends, arrears, turnover), asset management strategy (capital planning tied to resident needs), and development decisions (unit mix, service space, building design).
- Invest in shared platforms—or at minimum interoperable systems—that allow information to move across functional silos. Models like Open Table out of Arizona offer practical examples of what cross-functional resident tracking can look like.
- Prioritize longitudinal tracking. Financial constraints and lack of shared definitions have made it nearly impossible to follow resident outcomes over time or across properties—limiting the sector's ability to address the root causes of housing instability and support genuine upward mobility.

3. Align Funding with Outcomes

- Embed resident services funding into operating pro formas rather than relying on time-limited grants. Time-limited philanthropic support creates instability and

discourages investment in the data systems and evaluation infrastructure needed to sustain improvement over time.

- Create outcome-based funding pools tied to measurable resident impacts. Leverage healthcare and insurance funding for medical respite and behavioral health support. Expand rental subsidy models that incorporate service delivery.
- Solicit funding from healthcare providers and insurers tied to documented positive health outcomes. Housing cannot carry the full burden alone—but it can serve as the platform for coordinated, cross-sector investment when the data supports it.

4. Professionalize the “Tenant Support” Function

- Establish a formalized role—embedded within ownership as a function of asset management—that bridges property management and resident services. A “Tenant Support Manager” monitors early warning indicators (arrearages, complaints, service needs), coordinates interventions before crises escalate, and connects operational data with resident-level insights.
- Done well, this function materially reduces evictions, improves collections, and stabilizes properties—while simultaneously generating the resident-level data needed to track and improve outcomes over time.

5. Build the Evidence Base

- Support longitudinal studies that track resident outcomes over time and across properties. Partner with healthcare, education, and workforce systems to link housing data with broader social outcomes.
- Translate outcomes into economic value—cost avoidance, system savings, health outcomes—to build the case for housing as an anchor of cross-sector investment rather than a competitor for scarce public resources.
- Prioritize cross-sector data linkage between housing, healthcare, education, and workforce systems. Enterprise Community’s Health Action Plan offers a useful model for coordinated program design, though long-term tracking and outcomes measurement remain areas for deeper investment.

Conclusion

The 100-plus conversations behind this report were not a survey, and they were not designed to produce a definitive diagnosis. They were something more fundamental: an honest accounting of where the affordable housing and community development sector stands right now, told by the people living it every day. What came through—consistently, across geographies, organization types, and roles—was a field that is working hard, navigating real structural constraints, and increasingly clear-eyed about what the sector needs to do differently—and impatient to do it.

The challenges documented here are not new. The financing gap has been widening for years. The capacity constraints facing smaller and emerging organizations have been visible for just as long. The absence of a shared outcomes framework has been a known limitation of the sector for over a decade. What has changed is the urgency. The preservation wave is arriving now. The workforce crisis is not a future risk—it is a current operational reality. The gap between mission and capacity is no longer something the industry can close through incremental improvement and goodwill alone.

What strikes me most, looking across all of these conversations, is how well-understood the problems are—and how much practical wisdom exists within the sector about how to address them. The recommendations in this report did not emerge from outside analysis. They came from developers, lenders, asset managers, agency leaders, and emerging practitioners who have thought carefully about what is broken and what could work better. The expertise is here. What is missing is the coordination, the sustained investment, and the institutional will to act on it at scale.

Three things, in particular, stand out as preconditions for meaningful progress.

The first is honesty about tradeoffs. Allocating agencies, funders, and policymakers need to be willing to ask whether their requirements and priorities are actually delivering value commensurate with their cost in units produced. Enhanced design standards, deeper income targeting, and layered compliance obligations are all defensible goals—but they are not free, and the sector cannot keep absorbing their cost without producing fewer homes as a result. Having that conversation openly is uncomfortable. Not having it is more costly.

The second is investment in the ecosystem, not just the projects. Project grants and deal-level capital are essential—but they are not sufficient. The organizations responsible for building and preserving affordable housing need investment in their own infrastructure:

balance sheets, staffing, systems, succession planning, and the kind of organizational capacity that allows them to grow with resilience rather than just survive deal to deal. This is especially true for smaller nonprofits and emerging and minority-led developers, who are being asked to take on more complexity with fewer resources than ever before. Supporting these organizations isn't charity—it's infrastructure investment in the system's future capacity.

The third is a shared commitment to understanding what affordable housing actually accomplishes. The sector has done a remarkable job building and preserving housing under difficult conditions. It has done a much less consistent job demonstrating what that housing enables—in health, in economic mobility, in educational attainment, in community stability. Closing that gap requires more than good intentions; it requires data systems, shared definitions, and a willingness to hold programs accountable to outcomes rather than activity. The upside is significant. An affordable housing sector that can demonstrate its impact with rigor will be far better positioned to attract the investment, policy support, and cross-sector partnerships it needs to meet the scale of the challenge ahead.

None of this is easy, and none of it happens quickly. But the practitioners behind these conversations are not waiting for perfect conditions. They are building and preserving homes, developing emerging talent, advocating for better policy, and solving problems that the system has not solved for them. This report is an attempt to honor that work—by naming the constraints clearly, amplifying the ideas already circulating in the field, and making the case that the affordable housing sector deserves the same level of sustained, strategic investment that the scale of the housing crisis demands.