Appendix A:

Online Survey Results Report

Engagement

Reaching diverse audiences across a range of platforms, both in person and online, was instrumental to collecting insights from the field of housing and community development practitioners FHLBank Indianapolis sought to reach as part of its 2026 Needs Assessment. Three methods were utilized to gather information about the state of housing and community development in Indiana and Michigan: an online survey, virtual focus groups, and key person interviews.

Survey

Methodology.

The online survey was designed to collect qualitative data around the state of housing and community development needs as reported by members of the FHLBank Indianapolis network. While the primary geographies targeted included Indiana and Michigan, respondents also provided viewpoints on national trends, as well as hyperlocal insights from city and county-specific partners. The primary survey targets were those whose work falls within the following categories: non-profit developers; for-profit developers; representatives from government agencies; representatives from financial and lending institutions; providers of social services, homeownership, and homeless assistance; as well as business and economic development practitioners.

The survey was organized around two sections that sought to collect key information around the state of housing and community development. The first section asked five questions that were broader in scope and provided contextual understanding of national and local trends. These questions were:

- *What are the most pressing issues affecting the community and/or area that your organization serves?*
- *How have recent changes to federal funding streams in the areas of housing, social services, and development impacted your work?*
- *What kinds of programs, policies, or tools would you like to see from the Federal Home Loan Bank of Indianapolis to help address these challenges/issues?*
- *In your opinion, which factors most limit the supply of housing in your community?*
- *Why do you think more housing units have not been built in your area?*

The following section was then segmented based on the areas of interest that survey respondents selected. The choices included housing development, homeownership, housing supportive services, banking/lending, homelessness services, and business/workforce development. Respondents had the opportunity to select as many areas of interest to respond to later on in the survey, where survey takers responded to specific prompts pertaining to each of the areas of interest. The objective of this section of the survey was to collate the top three topics that were most important to the respondents' organizations' ability to meet the needs of their clients in greater detail.

The online survey was hosted on the ArcGIS platform Survey123 and was deployed to the Bank's network of housing and community development practitioners. The survey was promoted primarily through the Bank's dedicated newsletter list as well as on social media (LinkedIn). A combination of organic and paid promotional tactics were leveraged to increase survey uptake. The Bank's Affordable Housing Advisory Council members were instrumental in sharing the survey with their respective networks.

Results

Overview.

From February 26th, 2026 to April 1st, 2026, 108 responses were collected as part of the online survey effort. Non-profit developers constituted the largest segment of respondents, followed by representatives from financial institutions and lenders, as well as individuals working within government rounding out the top three respondent types for the survey. 47% of respondents work primarily at the County (28%) and City (19%) levels, with Michigan being the state with the largest representation. Survey respondents primarily serve urban areas, followed by rural and suburban areas. Of those respondents that engage in client-facing work, the income range that is most served are those whose incomes fall within 50% – 80% Area Median Income (AMI), with 30% – 50% AMI and <30% AMI following suit as the second and third highest AMI groups.

The following sections will provide an overview of the topline results for the two survey sections described above.

What are the most pressing issues affecting the community and/or area that your organization serves?

The lack of affordable housing was a significant challenge raised by survey respondents. Overwhelmingly, housing, both the lack of housing and the specific issue of affordable housing, was elevated as the most pressing issue affecting the respondents' communities. Across the 108 responses, survey takers took special note of the ways intersecting factors, such as the lack of housing inventory, land, rising construction costs, and a host of regulatory and funding hurdles, are contributing to a shortage of affordable housing production, provision, and long-term housing security for renters and homeowners combined.

Cost-burdened communities, which are typically classified as those spending 30% or more of their household income on housing expenses, are a key group that survey respondents serve. When incomes are tight, or nonexistent depending on the household's employment or disability status, affording or even keeping a home is an uphill battle. With that in mind, many of the communities served by survey respondents have few housing options to select from, especially as renters with limited buying power. This has been further exacerbated by the cost of living in many communities, which has risen, and wages have not kept pace.

The majority of units and properties that are available are often in poor condition, with high maintenance, utility, and overall repair costs. Those looking for homeownership opportunities face an uphill battle due to the lack of inventory and the fact that many households do not have the requisite downpayment funds, are unable to access favorable mortgage terms as a result of poor credit histories, and are often not in a position to compete against other buyers for market-rate homes.

Key takeaways:

1. **Affordable housing shortages are the dominant concern**
   The overwhelming theme across responses was the lack of affordable housing, including rental housing, starter homes, and supportive housing. Respondents consistently reported that housing costs are rising faster than incomes, making it difficult for low- and moderate-income households to remain stable.

2. **Rising costs and economic pressure are straining households**
   Many organizations identified inflation, high construction costs, property taxes, insurance increases, and general cost-of-living pressures as major challenges. These financial strains are affecting both residents and the organizations trying to serve them.

3. **Homelessness and housing instability are increasing**
   Numerous responses highlighted growing homelessness, eviction risk, overcrowding, and unstable living situations. Respondents emphasized that vulnerable populations, including seniors, working families, and individuals with mental health or substance use challenges, are being especially impacted.

4. **Communities face gaps in supportive services and infrastructure**
   Beyond housing itself, respondents pointed to shortages in mental health care, childcare, transportation, healthcare access, workforce development, and supportive services. Many noted that residents need more wraparound support to achieve long-term stability.

5. **Development barriers and community change are creating tension**
   Organizations frequently cited zoning restrictions, permitting delays, neighborhood opposition, limited land availability, and insufficient funding as obstacles to development. At the same time, many communities are concerned about gentrification, displacement, and the loss of long-term residents as redevelopment accelerates.

"The most pressing issues affecting the communities we serve include a lack of attainable housing, financial barriers to homeownership, and ongoing appraisal challenges. Workforce households, such as teachers, healthcare workers, and municipal employees, are increasingly priced out of the housing market due to limited inventory and rising construction costs. Many prospective buyers face obstacles such as insufficient down payment funds, credit challenges, and limited access to flexible lending options. Additionally, homes in historically disinvested areas are often undervalued through the appraisal process, creating gaps that make new development difficult and suppress neighborhood growth. There is also a continued need for financial literacy and homebuyer education to prepare residents for sustainable homeownership. Addressing these issues requires coordinated public-private partnerships and targeted resources." – Quote from survey respondent.

How have recent changes to federal funding streams in the areas of housing, social services, and development impacted your work?

Changes to federal funding streams have indisputably affected how respondents are able to provide support across the areas of housing, social services, and development to their respective communities. Survey responses were mixed, however, on the immediate impact of such funding changes, given that the timeframe of cuts may be felt more acutely down the line when prior years' assistance runs out and the future funding landscape is more widely understood and accounted for.

Those respondents who were already experiencing the effects of the cuts did mention specific issues in the areas of supportive services (e.g. homelessness assistance, wraparound care), reductions in downpayment assistance, rising construction costs due to gaps in subsidies and uncertainty of grants from a number of federal housing programs (e.g. HOME, CDBG).

Furthermore, respondents mentioned that the decline in federal funding, especially as it relates to grants, will overwhelmingly affect the nonprofit sector and make the funding that is available even more competitive, despite the growing need organizations face in the wake of funding cuts.

Key takeaways:

1. **Funding cuts and delays are straining core services**
   Many organizations reported reductions, freezes, or delays in federal funding for housing assistance, supportive services, and operations. These disruptions are making it harder to maintain programs, retain staff, and serve vulnerable populations effectively.

2. **Rising construction and operating costs are worsening affordability challenges**
   Respondents frequently cited inflation, tariffs, and escalating construction costs as major pressures. Even when funding levels remain stable, organizations said the "real purchasing power" of grants has declined, limiting new development and housing repair efforts.

3. **Uncertainty is making long-term planning difficult**
   Agencies described a climate of instability around future federal priorities and budget decisions. This uncertainty is forcing organizations to delay expansion plans, trim budgets, prepare contingency strategies, and operate more cautiously.

4. **Vulnerable populations are being disproportionately affected**
   Several responses emphasized that people experiencing homelessness, low-income families, individuals with mental health needs, and rural communities are facing increased barriers to stability. Reduced supportive services, childcare shortages, and housing scarcity were recurring concerns.

5. **Organizations are adapting through diversification and partnerships**
   To compensate for unstable federal support, many groups are pursuing alternative funding sources, strengthening collaborations, increasing reliance on

philanthropy and volunteers, and developing more creative or flexible service models to sustain their work.

"Recent changes to federal funding streams in housing, social services, and community development have had a significant impact on our work, primarily by increasing uncertainty, reducing available resources, and shifting program priorities. Policy changes have redirected funding away from long-term, permanent housing solutions toward more short-term or transitional approaches, making it more difficult to advance sustainable homeownership and stability initiatives. For our organization, this has required us to become more innovative and diversified in our funding strategies,leveraging public-private partnerships, pursuing alternative grants, and working more closely with financial institutions. While these challenges have created barriers, they have also reinforced the need for collaborative, locally driven solutions to sustain housing development and support the communities we serve." – Quote from survey respondent.

What kinds of programs, policies, or tools would you like to see from the Federal Home Loan Bank of Indianapolis to help address these challenges/issues?

A general sentiment shared by survey respondents centered on the essential role that FHLBank Indianapolis plays in the housing and community development sector. While respondents noted that the existing programs of the FHLB work quite well, and are meeting the needs of its constituents, the FHLB's Affordable Housing Program (AHP) stood out for its ongoing efficacy and its room for improvement. In particular, within AHP, respondents would like to see an expansion of AHP homeownership grants, in both quantity of grants as well as in funding.

Several respondents highlighted the need for the AHP program to focus on projects that have less of a competitive advantage especially for smaller nonprofit developers. Other areas where respondents would like to see more support from the Bank include technical and educational training for practitioners in the housing and community development sector, increased funding for operational capacity, and downpayment assistance, among others.

<u>Key takeaways:</u>

1. **Strong demand for expanded affordable housing funding**
   The most common theme was the need for significantly more funding for affordable housing development, preservation, and supportive housing. Respondents emphasized grants, low-interest loans, gap financing, and expanded subsidy programs to keep projects financially viable amid rising costs.

2. **Homeownership support remains a major priority**
   Many participants called for expanded down payment assistance, first-time homebuyer support, lower interest rate programs, homeowner repair assistance, and flexible lending products. There was particular interest in helping low- and moderate-income households access and maintain homeownership.

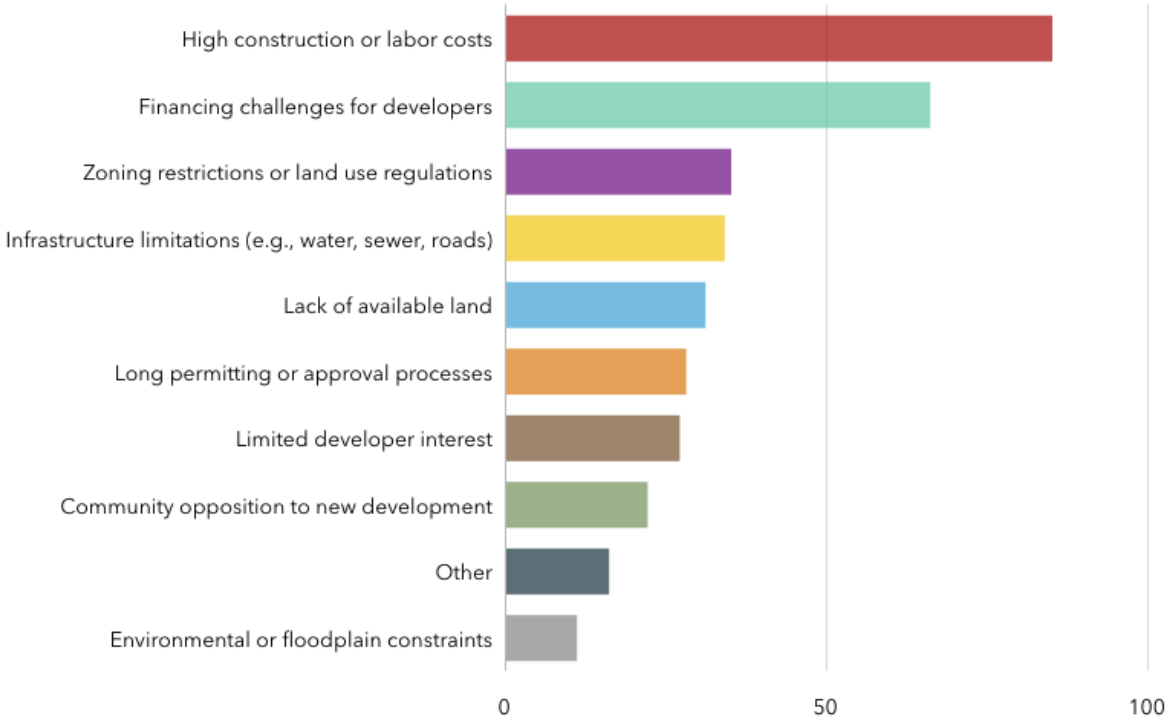
3. **Organizations need more flexible and accessible financing tools**
   Respondents repeatedly highlighted the need for pre-development funding, working capital, construction financing, and simplified application processes. Smaller nonprofits and community development organizations noted that existing funding structures can be difficult to navigate without additional capacity support.

4. **Partnerships, technical assistance, and education are highly valued**
   Survey participants expressed interest in stronger collaboration among banks, nonprofits, state agencies, and community groups. Many also requested training, financial counseling, homeowner education, and technical assistance to help organizations and residents better access available resources.

5. **Community stabilization and repair programs are increasingly important**
   Beyond new housing construction, respondents emphasized the importance of preserving existing housing stock through critical home repairs, accessibility upgrades, foreclosure prevention, and neighborhood reinvestment efforts. Several comments reflected concern about aging housing and the growing cost burden on residents.

In your opinion, which factors most limit the supply of housing in your community?

High construction or labor costs (78.7%), as well as financing challenges for developers (61.1%), were cited as the top factors that most contributed to the limited supply of housing in the communities served by survey respondents who had the option to select as many choices as they felt appropriate for this question.



Many survey respondents noted that infrastructure development,costs associated with establishing serviceable areas with sewer, water, and related utilities,as well as suitable and available land make the inception of projects unattractive to developers given the high upfront costs needed to advance on housing development projects, let alone affordable housing ones. This, paired with unfavorable zoning regulations and “not in my backyard” sentiments from neighbors that are not amenable to higher density development, which is typically more affordable than single-family housing projects, slows down housing production. The lack of available skilled labor further drives costs up, creating a pressure point for developers that need a highly-coveted workforce but are not able to fill in workforce gaps or pay the requisite wages for those who are able to join development projects.

Key takeaways:

1. **High construction and development costs are the biggest barrier**
   Respondents consistently identified rising material prices, labor shortages, interest rates, insurance costs, and overall development expenses as major obstacles to building new housing. Many noted that projects are no longer financially feasible without subsidies or incentives.

2. **Lack of affordable financing and funding limits new projects**
   Organizations reported difficulty securing financing for housing development, especially for affordable and workforce housing projects. Higher borrowing costs and limited access to gap financing were recurring concerns.

3. **Zoning, permitting, and regulatory barriers slow housing production**
   Many participants cited restrictive zoning rules, lengthy permitting timelines, environmental regulations, and local approval processes as factors that delay or reduce housing development. Some also mentioned neighborhood opposition to higher-density housing.

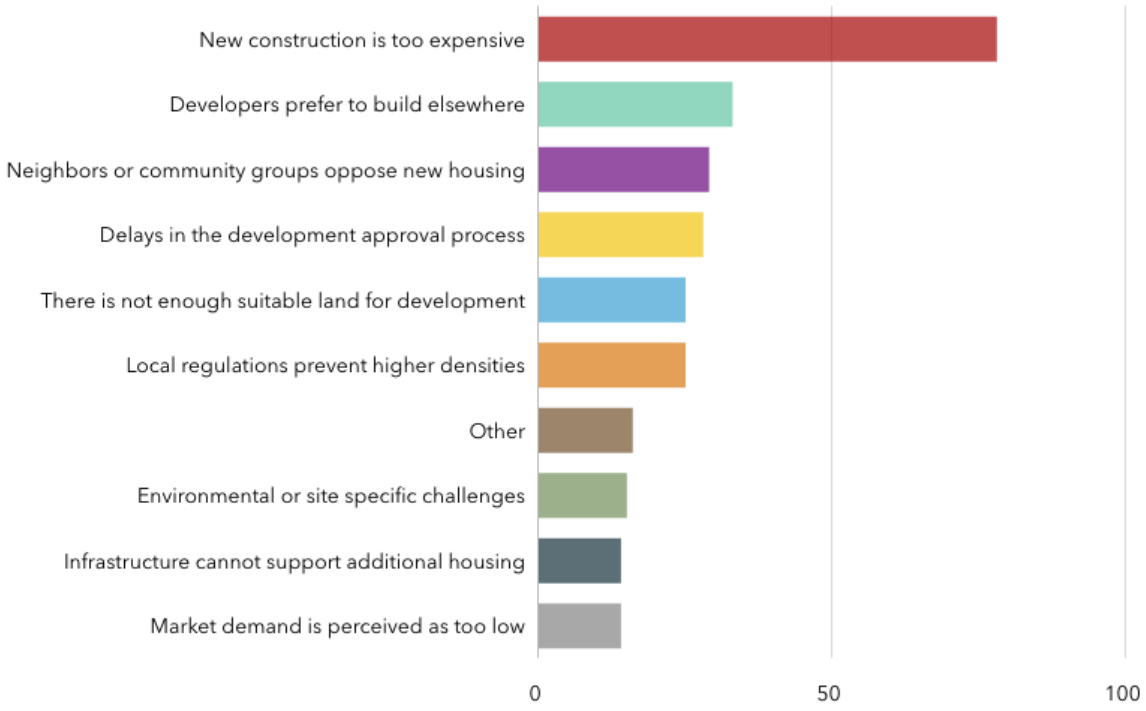
4. **Limited land availability and infrastructure constraints reduce capacity**
   Respondents frequently pointed to shortages of buildable land, high land prices, and inadequate infrastructure, including utilities, transportation, and water/sewer capacity, as significant challenges to expanding housing supply.

5. **Workforce shortages are affecting the housing sector**
   A lack of skilled labor in construction and related trades emerged as an important issue. Respondents said labor shortages increase project timelines and costs, making it harder to meet growing housing demand.

"High construction and labor costs and long permitting processes create major challenges for affordable housing. Rising prices for materials like lumber, steel, and concrete, combined with a shortage of skilled labor, make building and repairing homes more expensive. At the same time, lengthy permitting and approval processes with multiple city departments delay projects, increase costs, and slow delivery to families in need." – Quote from survey respondent.

Why do you think more housing units have not been built in your area?

From a housing supply point of view, the high cost of new construction (72.2%) was overwhelmingly cited as the top factor, with the other factors on the list receiving a similar share of attention from survey respondents. As noted above, survey respondents had the option to select as many choices as they felt appropriate for this question.



As explained in the previous section, survey respondents highlighted the high costs of construction, labor, land, and requisite infrastructure needs as contributing to the fact that new construction is too expensive. Specifically as it pertains to affordable housing development, respondents noted that developers are not as readily incentivized to build given that the total end-to-end cost of developing affordable housing far exceeds what many are able to get in return. This tension, coupled with challenges pertaining to zoning regulations, permitting, and neighborhood opposition, among other factors, have served as detractors to building more units in the areas served by survey respondents.

Key takeaways:

1. **High development and construction costs are the primary obstacle**
   The most common response was that escalating costs, including materials, labor, financing, insurance, and land acquisition, make housing development financially difficult or unprofitable, especially for affordable housing projects.

2. **Zoning restrictions and local regulations are limiting growth**
   Many respondents pointed to restrictive zoning policies, density limits, lengthy permitting processes, and regulatory requirements as major barriers that slow or discourage new housing construction.

3. **Community opposition to new development is a significant challenge**
   Survey participants frequently referenced neighborhood resistance ("NIMBYism") to higher-density housing, multifamily projects, or affordable housing developments. Concerns about traffic, property values, and community character were often cited as reasons projects face delays or rejection.

4. **Lack of infrastructure and buildable land constrains expansion**
   Respondents noted that insufficient infrastructure, such as roads, utilities, water/sewer systems, and transportation access, along with limited available land, restricts the ability to support additional housing units.

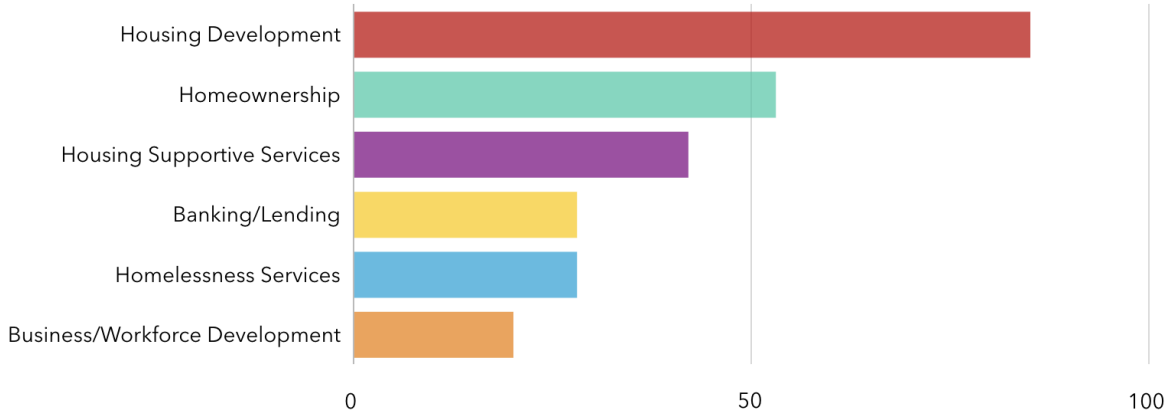
5. **Financing gaps and market conditions discourage affordable housing production**
   Many organizations said developers are prioritizing higher-end housing because affordable or workforce housing projects are harder to finance and generate lower returns. Higher interest rates and reduced funding availability were also cited as key factors slowing construction activity.

"Rising construction costs and development barriers continue to strain the ability to deliver affordable housing at scale. Costs for materials, labor, and infrastructure have increased significantly, making it difficult to produce homes at price points that align with local incomes. At the same time, regulatory hurdles, prolonged approval timelines, and infrastructure limitations—such as outdated roads, drainage systems, and utility access—can delay projects and increase overall development costs. These challenges ultimately impact affordability and limit the number of homes that can be brought to market." – Quote from survey respondent.

Areas of Interest

Summary.

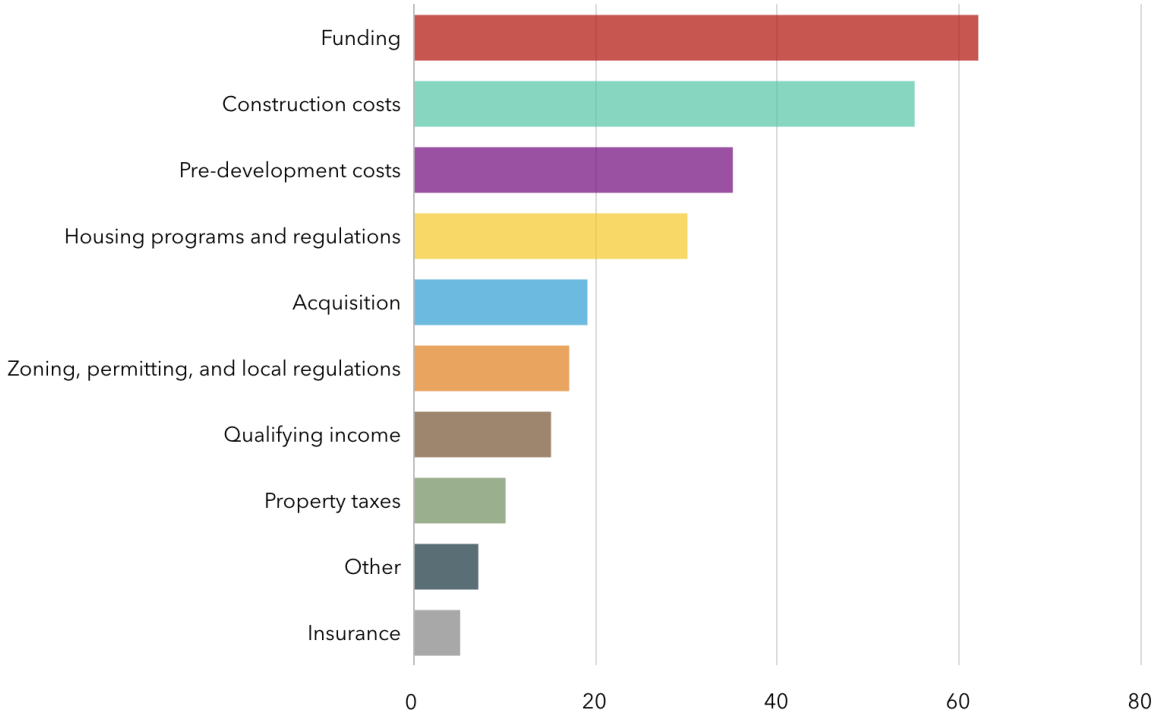
The top three areas of interest that survey respondents selected were housing development (78.7%), homeownership (49.1%), and housing supportive services (38.9%), with banking/lending (25.9%), homelessness services (25.9%), and business/workforce development (18.5%) rounding out the bottom three areas of interest.



The following section will provide an overview of the areas of interest, with a summary of the top three issues per area of interest that survey respondents selected.

Housing Development

From a housing development point of view, the top three topics that survey respondents selected as being most pertinent to their organization's ability to serve the needs of their clients included funding, construction costs, and pre-development costs. These three topics were discussed in tandem, given that each factor greatly into the larger housing development equation. Without sufficient funding, from either private or public sources, building the capital stack becomes untenable to cover pre-development and construction costs. While other issues, such as acquisition, zoning, and permitting were raised as part of the survey responses, ultimately funding was at the crux of each answer given that having the proper financing to develop housing is a make-or-break ingredient for respondents.



"One of the most significant challenges we face is securing sufficient funding and covering predevelopment costs. Early-stage expenses,such as site plans, engineering, environmental studies, permits, and infrastructure design, require substantial upfront capital with no guarantee of reimbursement. Limited access to flexible predevelopment funding slows project timelines and increases financial risk. Additionally, gaps between development costs and available subsidies make it difficult to deliver attainable housing at scale. Expanding access to low-interest, forgivable, or grant-based predevelopment funding, along with gap financing tools, would significantly accelerate project readiness and improve overall feasibility for workforce housing developments." – Quote from survey respondent.

Key Takeaways:

1. **Rising development costs are severely constraining new housing projects**
   Respondents consistently identified escalating construction costs, labor shortages, interest rates, insurance premiums, and material prices as major barriers to housing development. Many organizations reported that projects that were once financially feasible are now difficult to complete without additional subsidies.

2. **Affordable housing demand far exceeds supply**
   A dominant theme across the survey was the shortage of affordable and workforce housing. Respondents emphasized that communities are struggling to meet the needs of low- and moderate-income households, seniors, essential workers, and vulnerable populations.

3. **Financing gaps and limited funding hinder development efforts**
   Many participants highlighted challenges accessing development capital, gap financing, tax credits, and flexible funding sources. Smaller developers and nonprofit organizations especially noted difficulty assembling the financing needed to move projects forward.

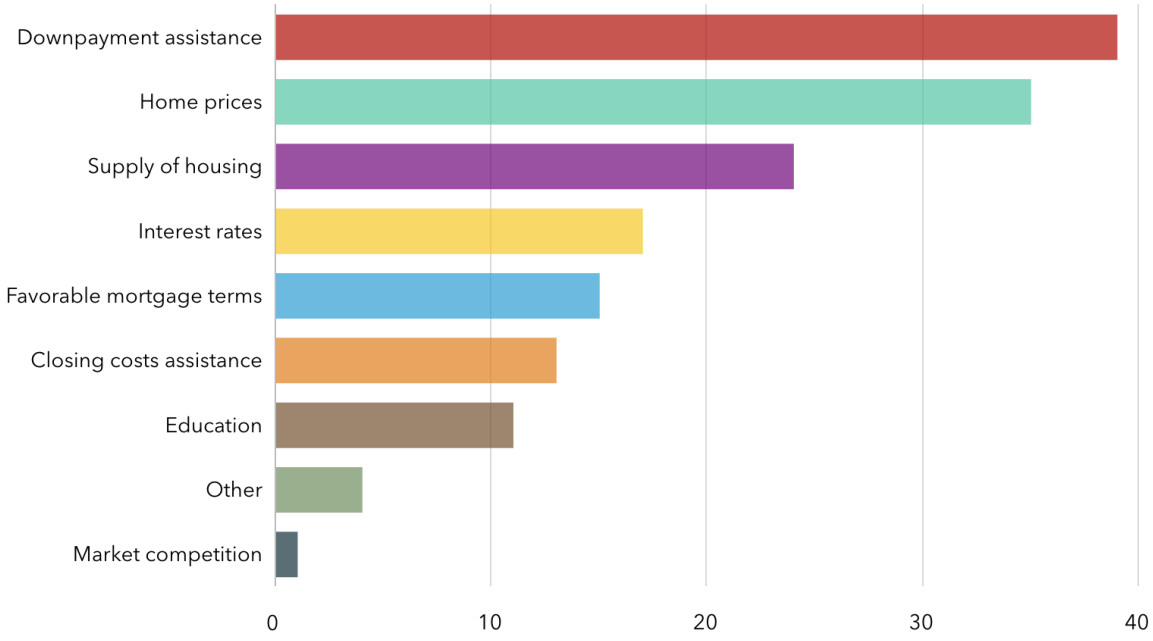
4. **Regulatory and zoning barriers slow housing production**
   Survey respondents frequently cited restrictive zoning policies, lengthy permitting processes, infrastructure requirements, and local approval delays as obstacles to timely housing development. Some also mentioned community opposition to higher-density or affordable housing projects.

5. **Partnerships and policy support are critical to expanding housing opportunities**
   Respondents emphasized the importance of collaboration among developers, lenders, local governments, nonprofits, and community organizations. Many called for incentives, streamlined regulations, infrastructure investment, and public-private partnerships to help accelerate housing production and improve affordability

Homeownership

From a homeownership point of view, the top three topics that survey respondents selected as being most pertinent to their organization's ability to serve the needs of their clients included downpayment assistance, home prices, and supply of housing. The

interconnectedness of these three factors were discussed in great detail by survey respondents. When faced with a tight supply of affordable housing, many buyers still do not have the requisite resources to put money down on an affordably-priced home that would make their offer competitive. In such cases, greater downpayment assistance is viewed as a critical factor that would help survey respondents better support their clients. Interest rates, as well as more favorable and flexible mortgage terms, were mentioned as key pieces that need to be addressed. Given that large swaths of the populations served by survey respondents may have poor credit scores, limited savings, or insufficient education pertaining to homeownership and the process this entails, conventional mortgage products and high interest rates do not provide an easy pathway to homeownership.



"The limited supply of quality, affordable homes, driven by high construction costs, aging housing stock, and low levels of new development, means there are simply not enough units available for families ready to buy. Together, these issues create a bottleneck where demand exists, but the financial and supply-side barriers prevent clients from accessing stable, long-term housing." – Quote from survey respondent.

Key Takeaways:

1. **Affordability is the biggest barrier to homeownership**
   Respondents overwhelmingly identified rising home prices, high interest rates, property taxes, insurance costs, and overall cost-of-living increases as the primary obstacles preventing individuals and families from purchasing homes.

2. **Down payment and closing cost assistance are critically needed**
   Many survey participants emphasized that prospective buyers, especially first-time and low-income households, struggle to save enough for upfront costs. Expanded down payment assistance and more accessible financial support programs were frequently requested.

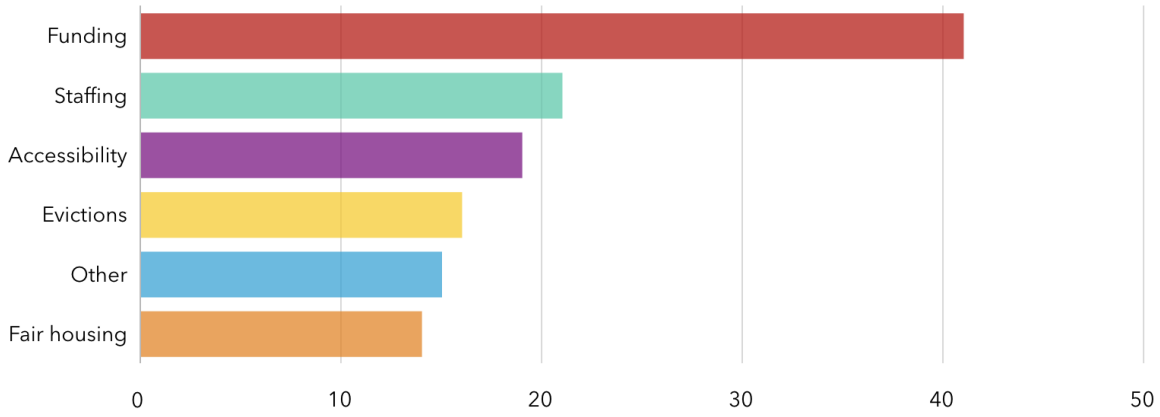
3. **Limited housing inventory is restricting opportunities**
   Respondents repeatedly noted that there is an insufficient supply of affordable starter homes and workforce housing. Low inventory, combined with strong demand, has intensified competition and pushed prices beyond the reach of many households.

4. **Credit, lending, and income barriers disproportionately affect underserved populations**
   Survey responses highlighted challenges related to credit scores, debt burdens, lending requirements, and stagnant wages. Many participants expressed concern that marginalized communities, younger households, and lower-income families face systemic barriers to accessing homeownership opportunities.

5. **Education, counseling, and partnerships are important supports**
   Many respondents emphasized the value of homebuyer education, financial literacy programs, housing counseling, and collaboration among lenders, nonprofits, employers, and government agencies. Participants viewed these supports as essential for helping residents navigate the homebuying process successfully.

Housing Supportive Services

From a housing supportive services point of view, the top three topics that survey respondents selected as being most pertinent to their organization's ability to serve the needs of their clients included funding, staffing, and accessibility. A recurring theme throughout the survey as it relates to critical needs for respondents is funding. In the area of housing supportive services, funding was highlighted as critical to ensuring there is sufficient operational budget to hire staff to carry out the supportive services of the organization. Without the adequate staff, or the funding needed to provide supportive services, programs become less accessible to those in need.



"It's vital that developers partner with qualified and engaged supportive services providers to best serve the target populations of the development. Sometimes it's difficult to find those partners, or to maintain the partnership long-term. Funding is a crucial part of that process since many supportive service providers are also nonprofits, which means they need payment for services to maintain their own operations. Obviously, staff training is so important to successful outcomes for residents of supportive housing projects. Most affordable projects have such a tight margin on operating costs that it's difficult to find funding to pay for additional training or certifications. Again, this is where funding for operational costs or capacity-building may be helpful for these types of projects." – Quote from survey respondent.

Key takeaways:

1. **Funding instability is the biggest challenge**
   Respondents overwhelmingly identified inadequate, inconsistent, or declining funding as the primary barrier to providing effective supportive housing services. Many organizations reported difficulty covering operational expenses, administrative costs, and long-term service delivery needs.

2. **Staffing shortages and burnout are limiting service capacity**
   Many organizations said they struggle to recruit and retain qualified staff, particularly social workers, case managers, and mental health professionals. Low wages, burnout, and insufficient reimbursement rates were commonly cited as factors contributing to workforce instability.

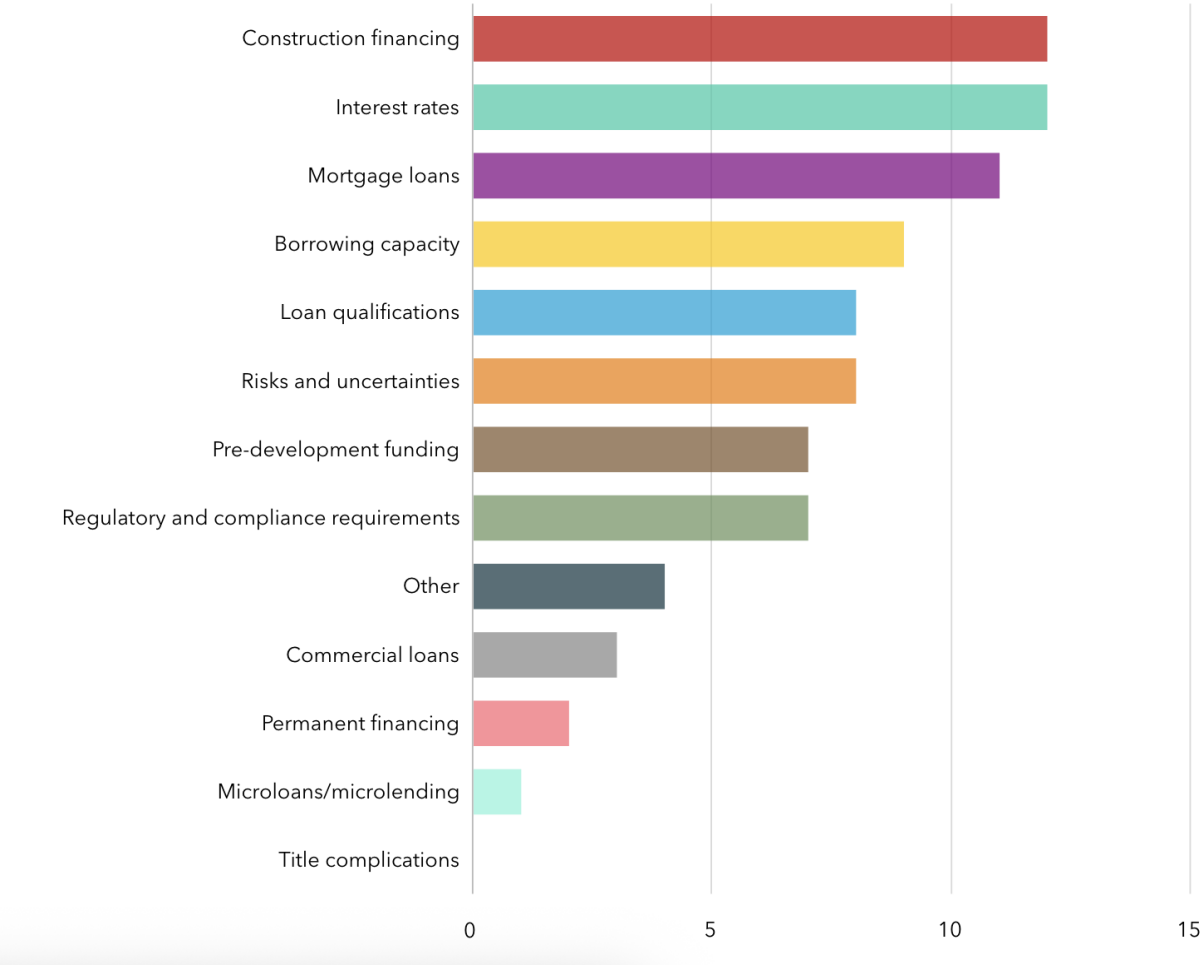
3. **Housing affordability and eviction pressures are increasing demand for services**
   Respondents frequently described rising rents, eviction rates, and limited affordable housing inventory as key drivers of housing instability. Once individuals experience eviction or homelessness, organizations noted that it becomes significantly harder to secure stable housing again.

4. **Supportive services are essential for long-term housing stability**
   Survey participants emphasized that housing alone is often insufficient without wraparound services such as mental health care, substance use treatment, transportation assistance, employment support, and financial counseling. Many stressed the importance of integrated “Housing First” and supportive housing models.

5. **System coordination and policy support need improvement**
   Respondents called for stronger collaboration among landlords, service providers, healthcare systems, and government agencies. Many also expressed concern about policy shifts affecting supportive housing programs and requested more flexible funding structures, landlord incentives, and prevention-focused interventions.

Banking/Lending

From a banking/lending point of view, the top three topics that survey respondents selected as being most pertinent to their organization's ability to serve the needs of their clients included construction financing, interest rates, and mortgage loans. The topics in this category were more evenly split, perhaps indicating greater overlap between the topics. The financing element for construction did come out on top, just slightly above interest rates, which points back to a recurring theme around funding and capital. For those engaged in development projects, securing construction financing is key in delivering the project, but if interest rates are not favorable, not only would this impact the type of mortgage loans available, it could significantly affect borrowing capacity of the project. Not mentioned explicitly in this category is the level of risk that both borrowers and lenders would be able to take on, which adds another layer of uncertainty for housing and community development projects.



“At the end of the day, a community can do everything recommended, but it really comes down to access [to] capital. We do not believe we can effectively rely on [the] government except for establishing rapid response funds for qualified communities. There are so many barriers, but if communities lay the proper foundation through zoning reform, infrastructure investment, and stay out of the way of creative and unique partnerships, the only aspect missing is access to cash.” – Quote from survey respondent.

Key Takeaways:

1. Access to capital is the central challenge

Respondents repeatedly emphasized that affordable housing and community development efforts are constrained by limited access to financing, particularly for low- and moderate-income borrowers, smaller developers, and rural communities. Many said that even strong projects struggle without sufficient capital availability.

2. High interest rates and housing costs are reducing affordability

Many participants noted that elevated interest rates, rising home prices, and increasing construction costs are making it harder for individuals to qualify for loans or afford monthly payments. Respondents indicated that these pressures are shrinking borrower capacity and slowing housing activity.

3. Down payment assistance is critically needed

A recurring theme was the need for expanded down payment and closing cost assistance programs. Respondents said many otherwise qualified borrowers cannot purchase homes because they lack upfront funds, especially first-time and low-income homebuyers.

4. Lending requirements and credit barriers affect underserved populations

Survey participants highlighted how credit score requirements, underwriting standards, debt burdens, and income limitations can prevent residents from accessing financing. Several responses emphasized that underserved and marginalized populations face disproportionate barriers to homeownership and credit access.

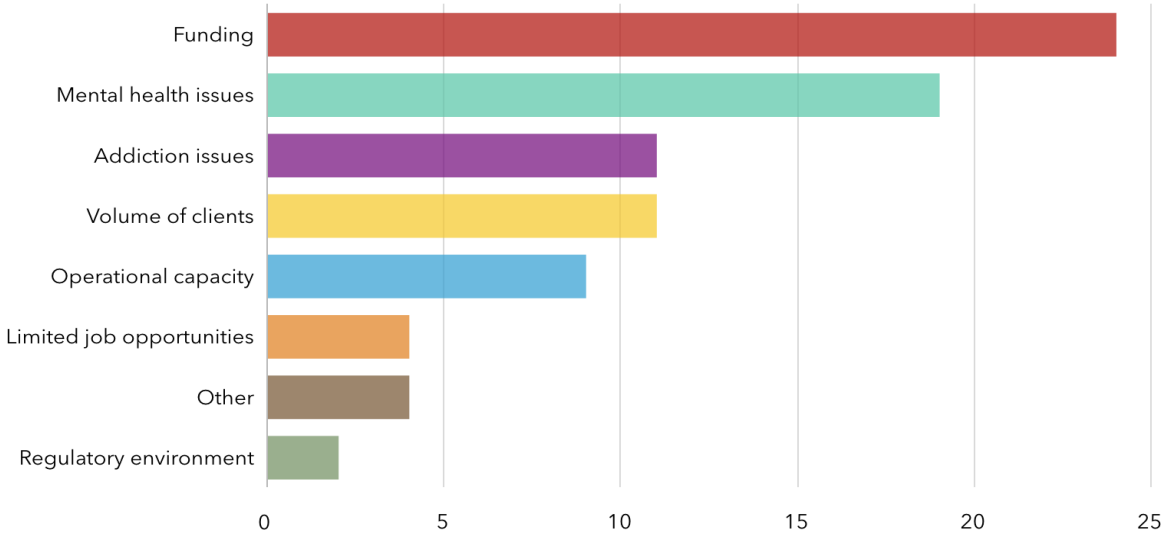
5. Greater flexibility, partnerships, and policy support are needed

Respondents expressed interest in more flexible lending products, public-private partnerships, incentives for affordable development, and streamlined regulations. Many also noted the importance of collaboration among financial institutions, governments, nonprofits, and developers to expand housing opportunities.

Homelessness Services

From a homelessness services point of view, the top three topics that survey respondents selected as being most pertinent to their organization's ability to serve the needs of their clients included funding, mental health issues, and addiction issues. Funding continues to arise as the top issue for survey respondents, especially as it relates to the provision of homelessness services, from the standpoint of shelter and permanent housing, to recurring wraparound resources that many facing housing insecurity require to lead more stable lives.

Changes to federal funding programs, including Medicaid, have further complicated the homelessness services sector given that these programs offered a layer of funding scaffolding that many housing and community development organizations relied on. The pivot away from service approaches like "housing first" – which prioritizes providing permanent housing to people experiencing homelessness and is more favorable towards rehabilitation as a pathway to self-improvement as opposed to one that solely prioritizes employment – was also discussed by survey respondents. Many noted that this transition will likely increase the number of clients experiencing homelessness, and will require more funding to address the volume of clients that will need services.



Key Takeaways:

1. **Demand for homelessness services is increasing rapidly**
   Respondents consistently reported growing numbers of individuals and families experiencing homelessness or housing instability. Many organizations indicated that demand for shelter, outreach, case management, and supportive services is exceeding available capacity.

2. **Affordable housing shortages are a major driver of homelessness**
   The lack of affordable and supportive housing was identified as the most significant structural issue contributing to homelessness. Respondents emphasized that without more permanent housing options, it is difficult to move people out of shelters and into stable living situations.

3. **Mental health and substance use needs are closely connected to housing instability**
   Many participants highlighted increasing mental health challenges, substance use disorders, and trauma-related needs among the populations they serve. Organizations stressed the importance of integrated behavioral health services alongside housing assistance.

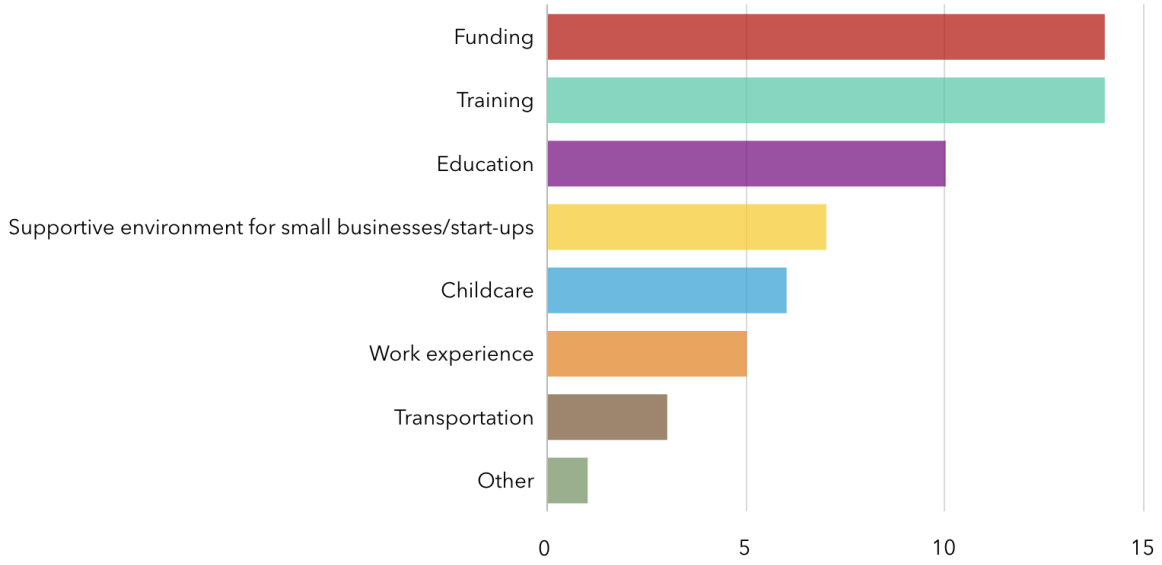
4. **Funding and staffing limitations are constraining service delivery**
   Survey responses frequently referenced insufficient funding, workforce shortages, burnout, and difficulty retaining qualified staff. Organizations noted that limited operational capacity reduces their ability to provide comprehensive and long-term support services.

5. **Collaboration and supportive services are viewed as essential solutions**
   Respondents emphasized the need for stronger coordination among housing providers, healthcare systems, nonprofits, local governments, and workforce agencies. Many also highlighted the importance of wraparound services such as employment support, childcare, transportation, and healthcare access to help individuals achieve long-term housing stability.

“Individuals with Medicaid face significant barriers to housing, including addiction, funding limitations, and mental health challenges. Addiction often leads to discrimination from landlords, limiting housing options for those in recovery. The instability caused by addiction can hinder employment, making it difficult to afford rent and creating cycles of instability. Legal issues from past substance use can further complicate housing searches. Funding for affordable housing is often insufficient, as many programs require income verification that excludes low-income individuals. Medicaid may not cover all housing-related expenses, adding financial strain. Mental health challenges also lead to stigma and discrimination, with many landlords hesitant to rent to individuals with mental health issues. This can result in fewer housing options and increased risk of homelessness. Addressing these barriers is crucial to improving housing stability for individuals with Medicaid.” – Quote from survey respondent.

Business/Workforce Development

From a business/workforce development point of view, the top three topics that survey respondents selected as being most pertinent to their organization's ability to serve the needs of their clients included funding, training, and education. Survey respondents highlighted that, without adequate funding, it is difficult to provide training and education programs that would prepare the future workforce in the requisite trades. Funding is needed for both the provision of the programs and to hire the proper staff to facilitate trainings, workshops, and apprenticeships. As such, funding, training, and education go hand-in-hand, with funding, or the lack thereof, underpinning the success or existence of these programs altogether.



Key Takeaways:

1. **Workforce shortages are affecting nearly every sector**
   Respondents consistently identified difficulty recruiting and retaining workers as a major challenge. Employers reported shortages in skilled trades, healthcare, childcare, construction, manufacturing, and service industries, limiting business growth and service delivery.

2. **Housing affordability is directly impacting workforce stability**
   Many participants emphasized that workers cannot afford to live near their jobs due to rising housing costs. Communities reported that the lack of affordable and workforce housing is making it harder to attract and retain employees, especially in rural and high-growth areas.

3. **Skills gaps and training needs remain significant**
   Survey responses highlighted the need for stronger workforce training programs, apprenticeships, vocational education, and partnerships with schools and community colleges. Employers noted that available workers often lack the technical or soft skills needed for open positions.

4. **Childcare and transportation barriers reduce workforce participation**
   Respondents frequently cited limited childcare access, high childcare costs, and inadequate transportation infrastructure as barriers preventing people from entering or remaining in the workforce. These issues were especially pronounced for low-income households and rural communities.

5. **Collaboration and flexible support programs are seen as critical solutions**
   Many organizations called for stronger partnerships among businesses, educational institutions, workforce agencies, nonprofits, and government entities. Respondents also expressed interest in more flexible funding, supportive services, and targeted workforce development initiatives to help both employers and workers adapt to changing economic conditions.

"Funding and a supportive environment for small businesses are essential because they directly shape our ability to help clients build stability and long-term opportunity. Education matters because many residents and entrepreneurs need access to training, financial literacy, and skill-building to fully participate in the economy. Reliable funding is critical for sustaining housing programs, neighborhood initiatives, and small-business support without constant disruption from shifting federal or state budgets. A stronger ecosystem for small businesses and start-ups, especially those led by local residents, helps create jobs, retain talent, and rebuild neighborhood commercial corridors, which in turn strengthens the overall community." – Quote from survey respondent.