



The 2026
State of

Affordable Housing Compliance



What 300 Affordable
Housing Operators Really
Think About Compliance & AI

Affordable Housing
Industry Survey Report
| n = 300 | July 2026

Introduction

Affordable housing compliance has reached a tipping point. Operators are managing layered federal and state programs, local rent control, and severe workforce shortages and turnover, all at the same time. As the administrative burden grows, manual workflows can't keep up, pushing the industry toward technology and AI to streamline operations and protect compliance.

This report offers a data-driven look at how organizations are navigating these demands. Drawing on a national survey of 300 compliance directors, property and regional managers, operations executives, and C-suite leaders, it examines the sector's key challenges and operational realities. Below, we detail how operators manage program administration, audit readiness, tech integration, and the evolving role of AI in affordable housing compliance.

Executive Summary

The survey reveals an industry grappling with administrative complexity driven by layered regulatory regimes, workforce bottlenecks, and manual operations. The data highlights operational insights across seven key areas, showing how leading operators are centralizing compliance ownership and modernizing their technology stacks to maintain audit readiness and streamline resident recertifications.



1. Layered programs are now the norm, not the exception

Nearly **90%** of operators manage layered properties that combine LIHTC, HOME, Section 8, or other programs on the same units, and **65%** say layered federal/state programs are their single greatest compliance burden, more than three times the share who name any individual program such as HOME (**12%**), HUD Section 8 (**12%**), or LIHTC (**7%**). Program complexity, not any one regulatory regime, is the dominant source of compliance strain.

**Layered programs are the norm,
not the exception**

87%

of operators manage layered properties combining LIHTC, HOME, Section 8, or other programs

65%

say layered federal/state programs are their single greatest compliance burden

2. Compliance work is heavy, and errors cluster at two moments

Compliance documentation takes up a large portion of an operator's day: **56%** of respondents spend 5-8 hours per unit, and another **39%** spend 2-4 hours per unit. Despite that time investment, mistakes still happen, and they're spread across every step of the affordable leasing process. Nearly two-thirds of all compliance issues are related to certification, with the most (**33%**) occurring during annual recertification and **30%** during move-in certification. Both are far higher than the shares tied to file documentation (**15%**), interim recertifications (**10%**), utility allowance or rent calculations (**10%**), and physical inspections (**1%**).

63%

Compliance errors cluster at two moments

33% Annual recertification

30% Move-in certification



3. The compliance talent pipeline is strained

To fill a compliance or leasing role, **63%** of operators say it takes one to three months on average, and **32%** say two to four weeks. After an employee is hired, **55%** rely on documented SOPs for onboarding, **36%** rely on informal shadowing or cross-training, and **8%** say they struggle to transfer compliance knowledge at all.

63%

of operators report hiring a new compliance or leasing role takes 1 to 3 months



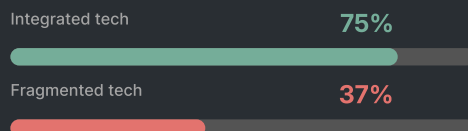
4. Audit readiness splits down the middle, and tracks tech and structure

Nearly half of operators say their audit readiness is reactive, requiring 30 to 60 days of file cleanup before an audit. Meanwhile, **48%** say they're always audit-ready through continuous monitoring.

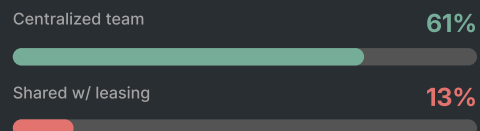
That split isn't random. **75%** of operators with a fully integrated compliance tech stack are always audit-ready, versus **37%** of those running a fragmented stack. And **61%** of centralized compliance teams are always audit-ready, versus **13%** of teams that share compliance duties with leasing staff. Reactive organizations report formal findings or Corrective Action Plans at nearly 12 times the rate of always-ready organizations.

Audit readiness splits down the middle—and tracks with technology and structure

Always audit-ready, by tech stack



Always audit-ready, by structure



5. Technology is fragmented, and the barrier is people, not budget

Fragmentation is still common, with **68%** of operators running a tech stack that pairs property management software with disconnected point solutions. By contrast, **31%** of operators have a fully integrated system. The top barrier to centralization and consolidation is staff training and change management. That compares with **15%** who are locked into contracts, **14%** who fear data migration errors, and **9%** who cite upfront software costs.

68% Fragmented

31% Integrated

6. Local rent control is mainstream, and enforcement is still manual

Half of operators navigate rent control or rent stabilization across multiple jurisdictions, layered on top of federal affordable housing programs. Another **8%** operate under rent control in a single jurisdiction. Among operators managing multi-jurisdiction rent caps, **88%** track and enforce them with offline spreadsheets and manual rechecking, and only **11%** have automated enforcement built into their property management software.

88%

operating across multiple jurisdictions rely on offline spreadsheets and manual rechecking to track rent control/stabilization

7. AI interest is nearly universal, but adoption is still leadership-led

Almost all operators (**98%**) are exploring, piloting, or actively using AI as part of their affordable housing operations, but only **1%** say they use AI daily. AI adoption is concentrated at the top of the org chart, with **45%** of C-suite respondents saying they're currently piloting AI, compared to **30%** of VPs/directors, **16%** of compliance directors, and just **5%** of property and regional managers. Top concerns for AI implementation include data accuracy and reliability (**36%**), data privacy (**28%**), staff resistance (**19%**), and regulatory and Fair Housing liability (**17%**).

AI interest is nearly universal, but adoption is still leadership-led

98%

of respondents are exploring, piloting, or actively using AI

1%

Only 1% of respondents use AI daily

About This Survey

The survey collected 300 completed responses from affordable housing professionals in compliance and operations roles. By role, the sample includes Compliance Directors/Managers (**44%**), Property/Regional Managers (**25%**), VPs/Directors of Affordable Housing Operations (**24%**), and C-Suite Executives (**7%**).

Respondents manage a broad and heavily layered set of programs: **99%** manage LIHTC properties, **88%** manage HUD Section 8/Project-Based properties, **87%** manage layered properties combining multiple programs, **73%** manage HOME Investment Partnerships properties, **65%** manage other income-restricted programs such as Section 515 or local inclusionary zoning, and **39%** manage properties layered with local rent control. Most respondents (**65%**) identified layered federal/state programs as their single greatest compliance burden. The survey was fielded in July 2026.

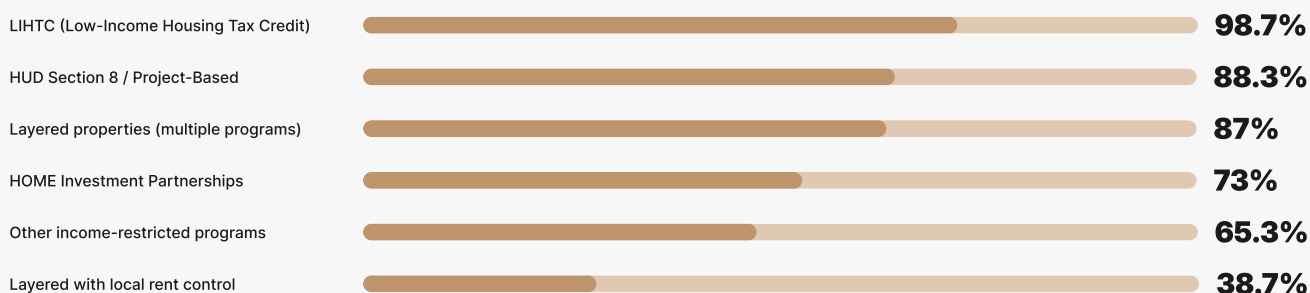
Findings by Compliance Domain

Program Complexity & Compliance Burden

Layered program administration is close to universal in this dataset. **99%** of respondents manage LIHTC properties, **88%** manage HUD Section 8/Project-Based properties, **87%** manage properties that layer multiple programs (for example, LIHTC plus HOME plus Section 8), **73%** manage HOME Investment Partnerships properties, **65%** manage other income-restricted programs such as Section 515 or local inclusionary zoning, and **39%** manage properties that layer an affordable program with local rent control.

The program mix operators manage

Share of respondents managing each program type — most operators manage several at once

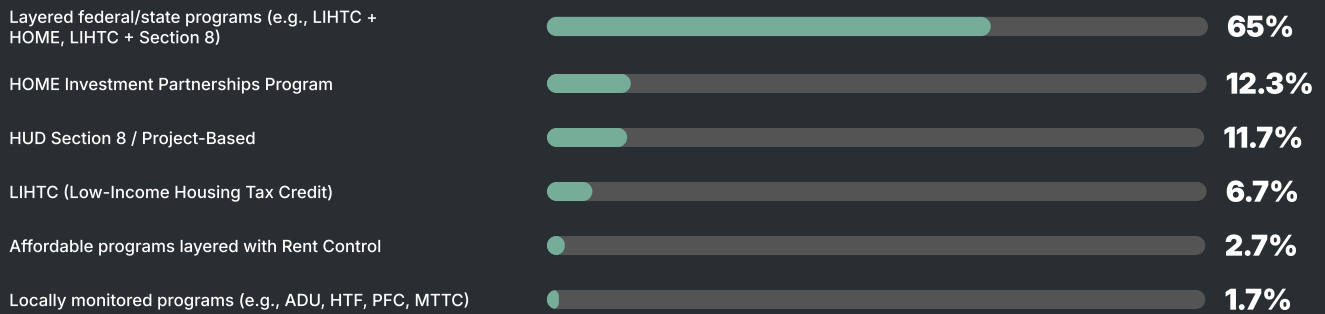


When asked which single program creates the greatest compliance burden, **65%** named layered federal/state programs, far ahead of HOME (**12%**), HUD

Section 8 (**12%**), LIHTC (**7%**), programs layered with local rent control (**3%**), and locally monitored programs such as inclusionary zoning, ADUs, bonds, or MFTE (**2%**). The burden, in other words, is overwhelmingly about reconciling multiple rule sets on the same units, not any single program's requirements.

Which program creates your greatest compliance burden?

Share of respondents citing each program as their top burden

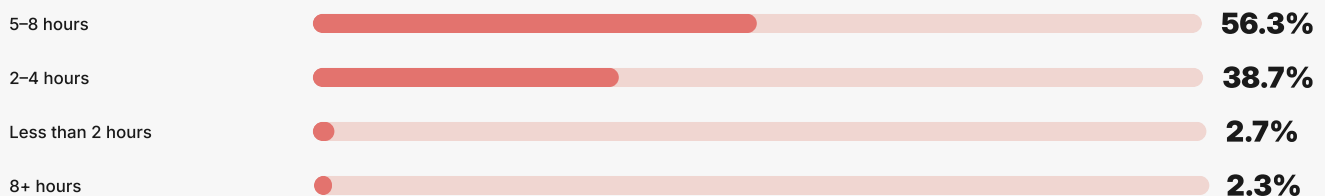


Documentation Load & Error Patterns

Compliance documentation consumes real staff capacity: **56%** of operators spend 5 to 8 hours per unit on it, **39%** spend 2 to 4 hours, and only **5%** spend less than 2 hours or more than 8. Errors are concentrated at two points in the resident lifecycle.

How much staff time per unit goes to compliance documentation?

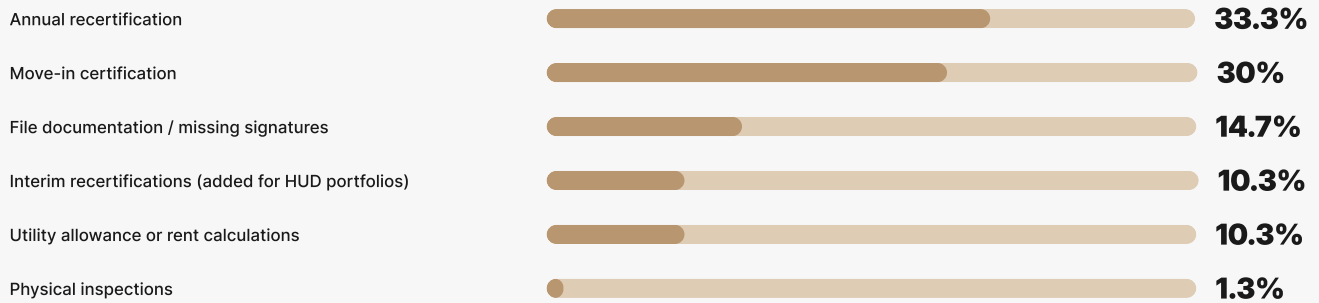
Hours spent per unit on compliance paperwork



33% of errors occur at annual recertification and **30%** at move-in certification, together accounting for nearly two-thirds of all reported errors. The remainder is spread across file documentation or missing signatures (**15%**), interim recertifications for HUD portfolios (**10%**), utility allowance or rent calculations (**10%**), and physical inspections (**1%**).

Where do compliance errors most often occur?

Share of respondents citing each stage as their top error source

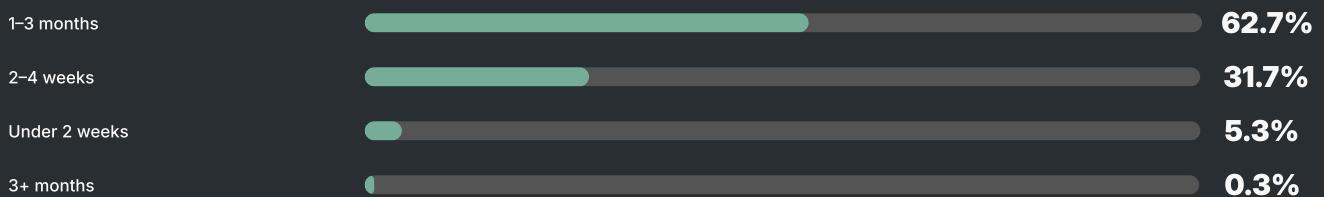


Workforce, Knowledge Transfer & Staffing Structure

Hiring for a compliance function is slow, with **63%** of operators saying it takes one to three months to fill those roles, **32%** saying two to four weeks, and just **5%** filling roles in under two weeks.

Average time-to-fill for a compliance or leasing role

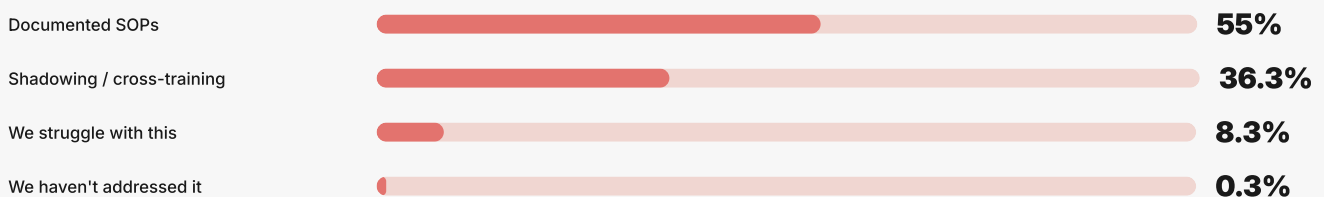
How long an open compliance or leasing role stays unfilled



Knowledge transfer when staff turn over leans more on documented process than on informal, people-dependent methods, though a meaningful share still rely on the latter: **55%** rely on documented SOPs, **36%** rely on informal shadowing or cross-training, and **8%** say they struggle to transfer compliance knowledge at all.

How do you handle compliance knowledge when staff turns over?

How teams retain and pass on compliance expertise

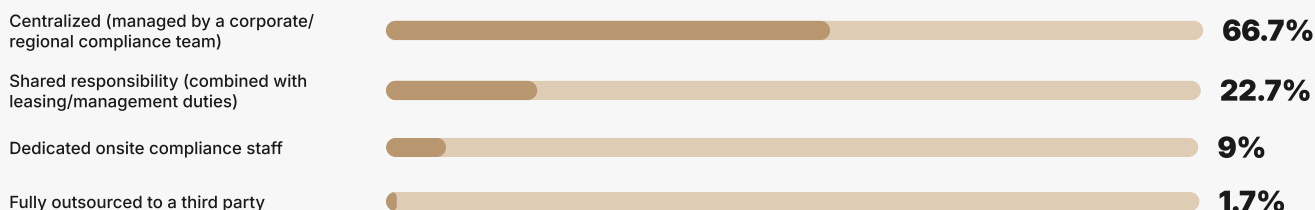


Two-thirds of respondents say they manage compliance through a centralized corporate or regional team, **23%** share the responsibility with leasing/property management staff, **9%** have dedicated onsite compliance roles, and **2%** outsource compliance entirely to a third party.



Are compliance duties dedicated or shared?

How compliance responsibility is structured across the org

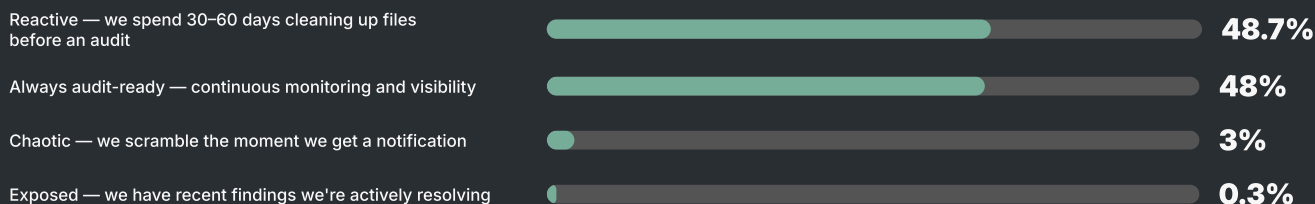


Audit Readiness & Technology

Audit readiness splits nearly evenly, with **49%** of operators describing themselves as reactive, spending 30 to 60 days cleaning up files before an audit, **48%** saying they're always audit-ready through continuous monitoring, and another **3%** describing their state as chaotic.

How would you describe your audit readiness today?

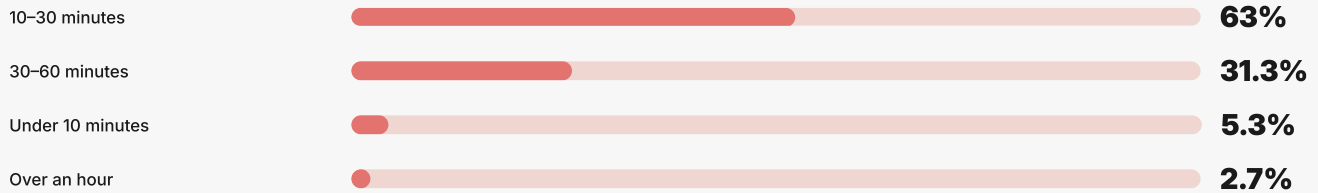
Self-reported audit readiness across all respondents



Most operators (**63%**) can produce a complete historical resident file in 10 to 30 minutes, **31%** need 30 to 60 minutes, and **3%** need over an hour.

How long to pull a complete historical resident file?

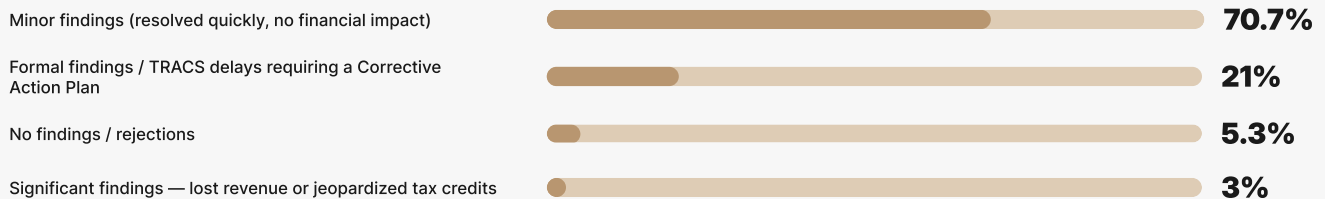
If an auditor requested it right now



In the past 24 months, **71%** of operators report only minor audit findings, **21%** report formal findings or TRACS (Tenant Rental Assistance Certification System) delays requiring a Corrective Action Plan, **5%** report no findings at all, and **3%** report significant findings that cost revenue or jeopardized tax credits.

Have you had formal audit findings in the past 24 months?

TRACS rejections or IRS Forms 8823



Two structural factors explain most of the variation in audit readiness. First, technology: **68%** of operators run a fragmented compliance tech stack (a core property management system, or PMS, plus disconnected point solutions), while only **31%** have a fully integrated system. Yet **75%** of operators with integrated tech are always audit-ready, compared with just **37%** of those with fragmented tech.

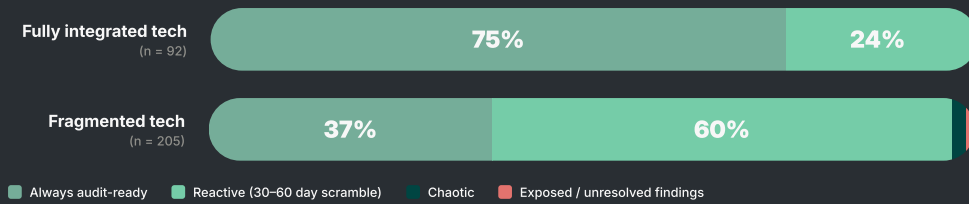
What describes your current compliance technology environment?

How compliance and property management systems connect



Audit Readiness, by Compliance Tech Environment

n = 297 | Q9 x Q12 crosstab — "How would you describe your audit readiness today?" by current compliance technology environment

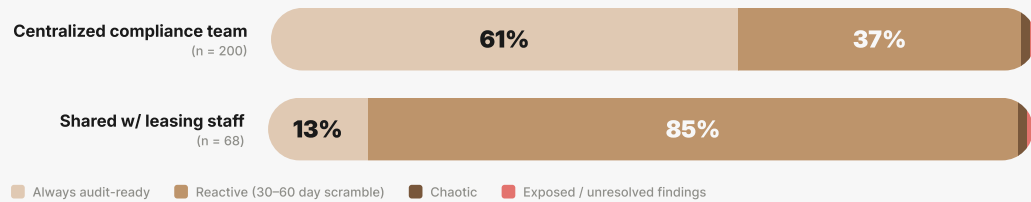


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Second, organizational structure: **61%** of operators with centralized compliance teams are always audit-ready, compared with only **13%** of operators that share compliance duties with leasing staff.

Audit Readiness, by Compliance Organizational Structure

n = 268 | Q9 x Q8 crosstab — "How would you describe your audit readiness today?" by how compliance duties are structured

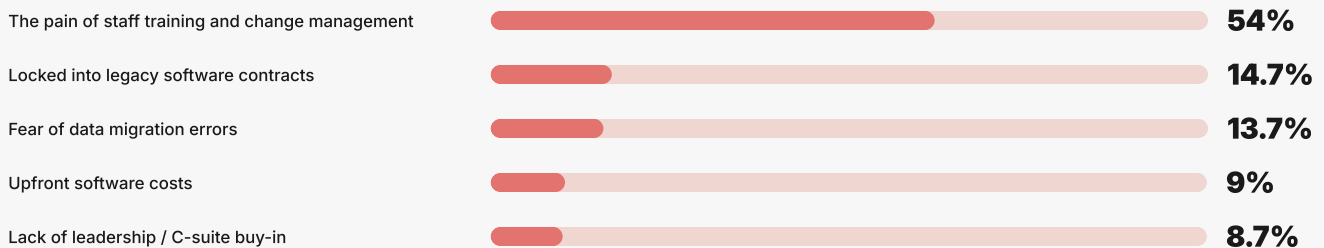


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Despite this, modernization is stalled less by budget than by people. **54%** of operators cite staff training and change management as the single biggest barrier to modernizing their compliance tech stack, compared with **15%** citing legacy contract lock-in, **14%** fear of data migration errors, **9%** upfront software costs, and **9%** lack of leadership buy-in.

What's the single biggest barrier to modernizing your tech stack?

Share of respondents citing each barrier as the top blocker

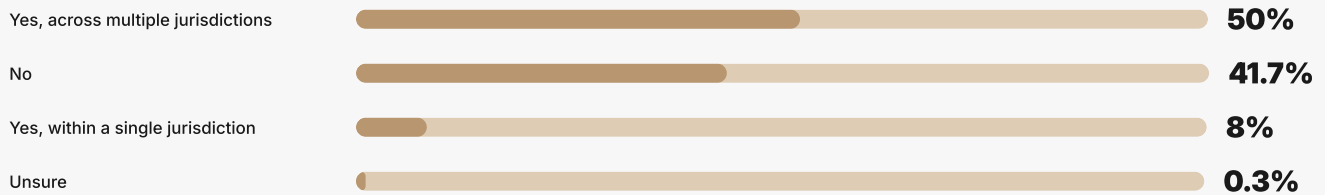


Local Rent Control & Rent Stabilization

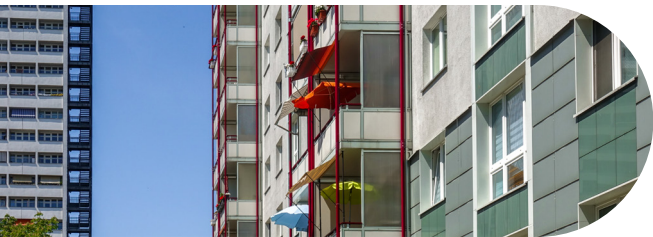
Local rent control has moved from a niche concern to a mainstream one. Half of operators now navigate multiple rent-control or rent-stabilization jurisdictions layered on top of their affordable regulatory agreements, and another **8%** operate in a single such jurisdiction, while only **42%** report no exposure to local rent control at all.

Do local rent control rules layer onto your compliance work?

Rent stabilization ordinances or localized rent caps

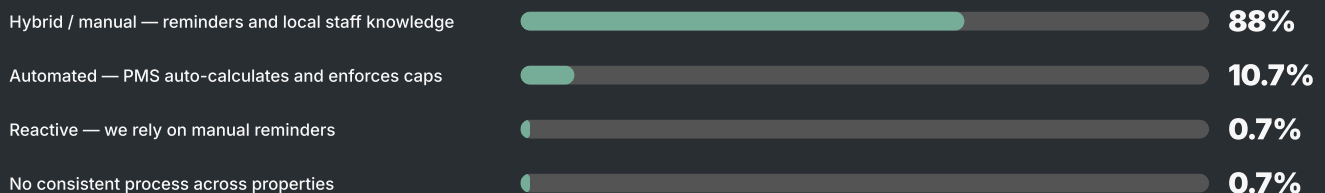


Among operators who do navigate rent control, enforcement has not caught up with prevalence: **88%** track and enforce multi-jurisdiction rent caps using offline spreadsheets and manual double-checks, and only **11%** have automated enforcement built into their property management system.



How does your team enforce multi-jurisdiction rent caps?

Among operators exposed to local rent control

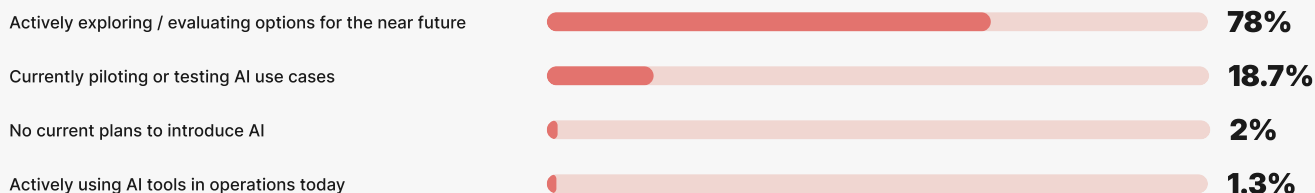


Artificial Intelligence Adoption

AI has moved from hypothetical to actively evaluated at nearly every organization: nearly **80%** of operators are exploring or evaluating AI options, **18.7%** are piloting or testing AI use cases, **2%** have no current plans, and just **1.3%** use AI daily.

What is your organization's current stance on AI?

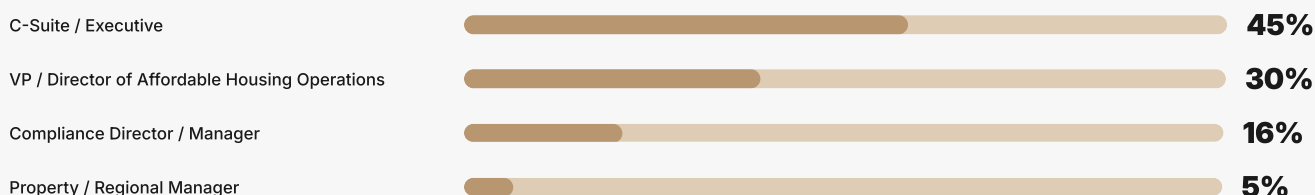
For affordable housing operations



Adoption is led from the top of the organization, with **45%** of C-suite respondents currently piloting AI, compared with **30%** of VPs/directors of affordable housing operations, **16%** of compliance directors/managers, and only **5%** of property/regional managers.

AI piloting rate, by primary role

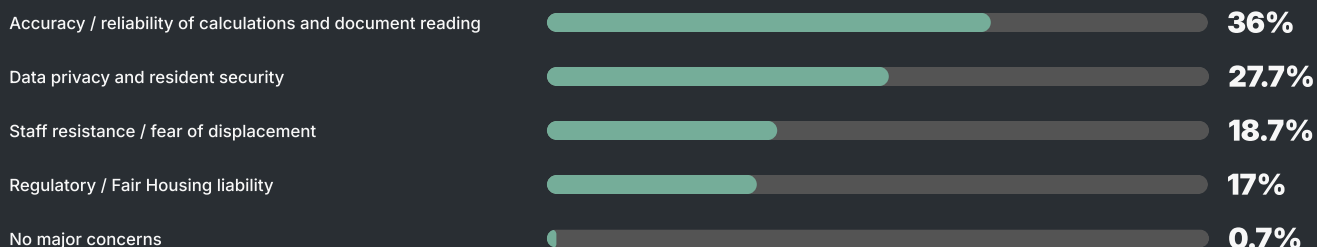
Among operators currently piloting AI use cases



The leading concern about AI adoption is trust in the technology's output, with **36%** citing accuracy and reliability of calculations and document reading as their top concern, ahead of data privacy and resident security (**28%**), staff resistance or fear of displacement (**19%**), and regulatory and Fair Housing liability (**17%**).

What's your primary concern about AI adoption?

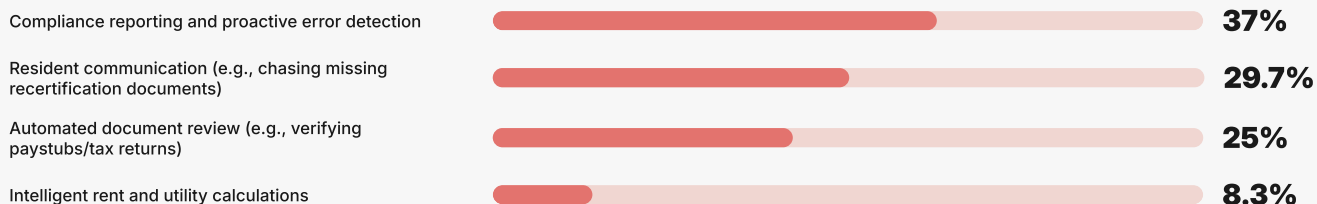
Share of respondents citing each concern as their top worry



Asked where AI could add the most operational value, operators point to compliance reporting and proactive error detection (**37%**), resident communication such as chasing missing recertification documents (**30%**), automated document review such as verifying paystubs or tax returns (**25%**), and intelligent rent and utility calculations (**8%**).

Where could AI provide the highest operational value?

For your compliance teams



Recommendations

The findings show that affordable housing compliance is becoming too complex to manage through disconnected systems, manual processes, and institutional knowledge alone. Operators should focus their modernization efforts on creating an operating model that makes compliance more consistent, visible, and proactive.

1. Centralize compliance ownership

Centralization is one of the clearest opportunities identified in the research. Sixty-one percent of organizations with centralized compliance teams report being always audit-ready, compared with just 13% of organizations where compliance responsibilities are shared with leasing teams.

Operators should consider moving responsibility for complex compliance activities to dedicated corporate or regional teams while giving onsite teams clear processes for gathering documentation and working with residents. Centralization can create greater consistency across properties, make specialized compliance expertise easier to scale, and reduce the burden placed on leasing teams.

2. Consolidate and integrate compliance technology

Technology fragmentation has become a compliance risk. Sixty-eight percent of respondents operate with a core property management system supplemented by disconnected point solutions, while only 31% report having a fully integrated system. The difference shows up in audit readiness: 75% of operators with integrated technology are always audit-ready, compared with 37% of those with fragmented technology.

Operators should evaluate their technology stacks with an eye toward consolidation and integration. Compliance information should live in the same system as resident, property, leasing, and financial data whenever possible. Reducing the number of systems and manual handoffs can make it easier to maintain accurate records, monitor compliance continuously, and retrieve complete resident histories when needed.

3. Shift from audit preparation to continuous compliance

Nearly half of operators still spend 30 to 60 days cleaning up files before an audit. Rather than treating compliance as a periodic scramble to prepare for audits, operators should work toward an always-ready model.

Continuous monitoring, standardized workflows, automated alerts, and centralized documentation can help teams identify missing information or potential errors as they occur. The goal should be to make audit readiness an outcome of everyday operations rather than a separate project that consumes weeks of staff time.

4. Focus improvement efforts on certification and recertification

Operators do not need to overhaul every compliance process simultaneously.

The data points to move-in certification and annual recertification as a good place to start, since they account for nearly two-thirds of reported compliance errors.

Organizations should map these workflows from beginning to end and identify where documentation is collected manually, information must be re-entered, staff members need to interpret requirements, or residents must be repeatedly contacted. Standardizing and automating appropriate steps within these workflows could meaningfully improve staff efficiency and reduce compliance risk.

5. Treat change management as part of technology modernization

The biggest barrier to modernization is not software cost. Fifty-four percent of operators cite staff training and change management as their biggest obstacle, compared with only 9% who identify upfront software costs.

Technology implementations should therefore include a clear adoption strategy. Operators should document new workflows, establish ownership, train employees by role, communicate why processes are changing, and measure whether teams are using the new tools as intended. Technology can standardize compliance only when the people responsible for compliance trust and consistently use it.

6. Reduce dependence on spreadsheets for local rent-control compliance

Local rent control adds another regulatory layer to an already complicated environment. Yet 88% of operators exposed to rent control still rely on offline spreadsheets and manual double-checking to enforce multi-jurisdiction rent caps.

As portfolios expand across jurisdictions, operators should look for opportunities to bring these rules into their core compliance workflows. Centralizing rent rules, calculations, documentation, and property data can reduce the amount of manual interpretation required from individual employees and make processes easier to monitor across the portfolio.

7. Introduce AI where it can strengthen human compliance teams

AI adoption should begin with focused, lower-risk use cases rather than an attempt to automate compliance judgment. Operators see the greatest potential value in compliance reporting and proactive error detection, resident communication, and automated document review. At the same time, accuracy and reliability remain their greatest AI concern.

That combination suggests a practical path forward. Use AI to identify missing information, review documents, surface potential errors, communicate with residents, and prioritize work for compliance professionals. Keep qualified employees responsible for reviewing exceptions and making decisions where regulatory interpretation or judgment is required. AI should serve as another layer of oversight and operational support, not the final authority on compliance.

Conclusion

Affordable housing compliance is not getting simpler. Operators are simultaneously managing layered federal and state programs, local requirements, workforce constraints, documentation-heavy processes, and growing expectations to adopt new technology. Nearly **90%** of respondents manage layered properties, while **65%** identify those overlapping programs as their greatest compliance burden.

The research also shows that complexity does not have to translate directly into greater compliance risk. Organizations with centralized compliance teams and integrated technology are significantly more likely to be always audit-ready. That provides operators with a roadmap for what comes next.

The future of affordable housing compliance should be less dependent on spreadsheets, disconnected systems, manual double-checking, and knowledge held by individual employees. Instead, operators can build a more scalable model around centralized expertise, standardized workflows, connected data, continuous monitoring, and carefully deployed AI.

AI will be part of that future, but it is only one piece of the equation. The larger opportunity is to build a compliance infrastructure capable of handling growing complexity without requiring staff to continually absorb more administrative work. Operators that modernize this foundation today will be better positioned to reduce risk, respond to regulatory change, maintain audit readiness, and allow their teams to spend less time chasing paperwork and more time applying the expertise that affordable housing compliance requires.

Affordable housing compliance is changing. Learn more about how Entrata can help.

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demo today.**

