



Brief

Promoting Supportive Housing Development through Qualified Action Plans (QAPs)

This brief outlines strategies Housing Finance Agencies (HFAs) and state leaders can use to strengthen supportive housing development through Qualified Action Plan (QAP) policy, funding alignment, and cross-sector partnerships.

About CSH

CSH (Corporation for Supportive Housing) advances affordable housing aligned with services by advocating for effective policies and funding, investing in communities, and strengthening the supportive housing field. Since our founding in 1991, CSH has been the only national nonprofit intermediary focused solely on increasing the availability of supportive housing. Over the course of our work, we have created more than 512,500 units of affordable and supportive housing and invested more than \$2.2 billion in communities. Our workforce is central to accomplishing this work. We employ approximately 170 people across 30 states and U.S. Territories. As an intermediary, we do not directly develop or operate housing but center our approach on collaboration with a wide range of people, partners, and sectors. For more information, visit www.csh.org.

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Introduction

Qualified Allocation Plans (QAPs) are among the most powerful tools available to state Housing Finance Agencies (HFAs) to influence supportive housing development. While many states encourage development serving extremely low-income households or vulnerable populations, advancing supportive housing requires a more intentional approach.

Supportive housing **pairs affordable housing with support services** that help people get housed and stay housed. It is an **evidence-based intervention for people with complex needs** experiencing or at risk of homelessness and people living in institutional settings who could otherwise live successfully in their communities.

Qualified Action Plan Strategies to Promote Supportive Housing Development

The following recommendations offer strategies HFAs and policymakers can use to strengthen supportive housing development through QAPs, funding alignment, and cross-system partnerships.

Create Robust Supportive Housing Set-Asides and Threshold Requirements

While most states use scoring incentives to award tax credits for supportive housing development, it can be difficult to determine whether available points are meaningful enough to influence funding decisions. As such, HFAs must prioritize threshold and set-aside requirements to ensure consistent supportive housing pipeline development. It's important to note that, depending on the development costs in the state, set-asides or supportive housing requirements of 10% or less may produce a limited number of units. HFAs should consider 25-30% set-aside for supportive housing to ensure progress towards closing the state's supportive housing gap.

Require Comprehensive Service Planning and Funding

As much as supportive housing relies on safe, quality, and affordable housing, tenants must also have access to support services. While some QAPs require service-enriched housing and others provide incentives for service-related activities, there is an important distinction between residential services and supportive services. Resident service coordinators help connect tenants with basic service needs, whereas positions like social workers, psychiatric nurses, substance use specialists, or peer specialists, amongst others, may be called for depending on the population being served in the building and the care-models being offered.

CSH has developed a [Supportive Services Budgeting Tool](#) that HFAs can share as a resource to applicants as they build their project financing. All supportive housing applicants should be required to provide a social service plan (SSP) that outlines the intended services, description of source funding, length of funding, and evidence of sustainable funding beyond the current timeline. The service provider listed on the SSP should also provide evidence of experience serving the intended tenant population and an understanding of the community that the housing development will serve. HFAs should also consider awarding additional points to applicants that demonstrate meaningful engagement of people with lived experience in the development of services, programs, and tenant supports.

Ensure Access to Operating Subsidies

HFAs should coordinate with Public Housing Authorities, Continuums of Care, and state partners to ensure supportive housing developments have access to operating assistance. Project-based vouchers, sponsor-based vouchers, state rental assistance programs, and other operating resources are often necessary to maintain affordability for supportive housing tenants with extremely low incomes. Without operating assistance, supportive housing developments may struggle to maintain affordability over time.

Use Quality Standards to Guide the Development and Operations of Supportive Housing

Quality supportive housing is housing that is:

- Tenant-centered,
- Easily accessible to tenants of all backgrounds, including through ADA-compliant design, reasonable accommodations, and low-barrier access to housing opportunities;
- Coordinated across housing partners with a shared goal,
- Integrated with services and community connections, and
- Financially sustainable over time¹.

HFAs should require applicants to demonstrate alignment with the [Supportive Housing Quality Standards](#)² throughout development, operations, tenant engagement, and service delivery. The [Pre-Development Checklist](#) provides one mechanism for evaluating readiness and identifying areas that require additional planning. It is a free online tool for projects in the pre-development or planning phase to ensure that quality standards are embedded into all aspects of planning and project design. HFA can require applicants to provide a completed checklist as part of the LIHTC application.

¹ The Quality Supportive Housing Standards is a national standard created by CSH and based on multiple years of research.

² Additional resources including a Guidebook and Toolkit are also available from CSH at <https://www.csh.org/supportive-housing-101/quality/>.

Prioritize the Populations Most in Need of Supportive Housing

Of the 1.1 million people in need of supportive housing, there are three groups – [intellectual and developmental disabilities \(268,980/25%\)](#), [justice \(243,674/22%\)](#), and [aging \(226,674/21%\)](#) – that represent the greatest needs for supportive housing nationally. These trends are often mirrored in states as well. HFAs should align supportive housing priorities with state and local needs assessment findings, paying particular attention to populations experiencing the greatest unmet supportive housing needs. Additional points should be awarded for formal partnerships with providers and government agencies that serve these populations. Partnerships should demonstrate a commitment to providing the services and supports necessary for the intended tenant population.

Reduce Barriers to Supportive Housing Access

HFAs should ensure that tenant selection criteria and processes in LIHTC developments are transparent and do not create unnecessary barriers for applicants. Screening criteria that limit opportunities for individuals who have experienced homelessness, been involved in the child welfare or justice systems, or rely on nontraditional sources of income and/or have limited rental histories may restrict access to housing for populations that supportive housing is intended to serve. To support supportive housing goals, HFAs should encourage applicants to adopt tenant selection policies that balance responsible property management with meaningful access to housing.

Additional Strategies to Advance Supportive Housing

While QAPs can help prioritize supportive housing development, they represent just one component of a broader supportive housing strategy. Supportive housing depends on multiple funding sources working together to support housing, operations, and services. While LIHTC is often the foundation of the capital stack and a primary source of development financing, tax credits alone cannot fund all aspects of supportive housing.

Successful supportive housing requires financing for capital, operations, and supportive services, which together support long-term affordability, housing stability, and positive outcomes for residents. States that are most successful in expanding supportive housing align these resources through coordinated planning, shared goals, and cross-system partnerships.

While the following strategies extend beyond the scope of the LIHTC program itself, they can help states build the infrastructure, funding alignment, and partnerships needed to expand supportive housing opportunities and address the nation's supportive housing gap.

Conduct a Supportive Housing Needs Assessment

As a first step, state housing leaders should conduct a thorough needs assessment to better understand who needs supportive housing. As many individuals in need of supportive housing may not be represented in homeless datasets, the assessment should draw from multiple data sources including, but not limited to, homeless and point-in-time count data, as well as data from institutions across the state like jails and prisons, child welfare systems, nursing homes, and health and behavioral healthcare facilities. The findings from the needs assessment should be accompanied with concrete

solutions including an implementation strategy, a supportive housing production plan, and details on funding resources that developers can access to meet the production goals.

Streamline Multiple Funding Sources

In most jurisdictions, the onus is on applicants to assemble multiple funding sources to finance a supportive housing development. Because supportive housing requires financing for capital, operating costs, and supportive services, developers are often required to pursue separate funding opportunities administered by different agencies with distinct priorities and timelines. This fragmented approach can create unnecessary complexity, increase development costs, and delay the production of much-needed supportive housing. States can reduce these barriers by coordinating resources across agencies and aligning funding opportunities through a single Request for Proposals (RFP) process or other jointly administered application. When resources are aligned, funding can be deployed more efficiently, application processes become more predictable, and developers can more readily create and sustain supportive housing.

Build Sustainable Funding Streams for Supportive Housing

A barrier to developing more supportive housing is a lack of available funding for services. As noted above, in addition to financing healthcare needs, increasingly more states are using Medicaid waivers or have adapted their state plan to also finance housing-related services such as help finding an apartment, help with understanding the lease, budgeting, relationship navigation with landlords, and, in some instances, short-term housing options. State leaders and advocates looking to increase funding for supportive housing services can look to [best practices](#) and [models from other states](#) as a first step to developing their own Medicaid waiver.

In addition to pursuing Medicaid-based service financing, states can establish dedicated appropriations to support services that are not Medicaid reimbursable or to bridge funding gaps while Medicaid waivers are being developed. Several states have started funding a [Supportive Services Transformation Fund](#) that provides grants to service providers to pay for housing-related services, housing stabilization and tenancy sustaining services, and care coordination. In addition to the boost in services, the funding adds capacity by bringing on more caseworkers and staff to reduce caseload sizes and enhance the services they provide. Results show that the funding has helped providers dedicate more time to the tenants with high needs and hire new therapists, as well as help tenants stay housed, increase tenant income and employment, and help improve tenants' physical and mental health.

Avoiding Common Challenges in Qualified Action Plan Design

A common challenge in QAP design is the assumption that prioritizing a population, targeting extremely low-income households, or requiring resident services is equivalent to prioritizing supportive housing. While each of these approaches can advance important housing goals, none independently creates supportive housing. Successful supportive housing requires the intentional integration of affordable housing, operating support, and support services designed to help people with complex needs who are experiencing homelessness, at risk of homelessness, or unnecessarily institutionalized achieve long-term housing stability.

For HFAs seeking to expand supportive housing opportunities, it is important that QAP policies distinguish supportive housing from broader affordable housing and resident service models. States that successfully expand supportive housing typically align capital resources, operating subsidies, and services around clearly defined target populations and established quality and accountability standards.

Conclusion

QAPs provide state HFAs with a powerful opportunity to influence supportive housing development, but tax credits alone cannot close the nation's supportive housing gap.

Expanding supportive housing requires **intentional QAP policies**, meaningful **commitments of capital and operating resources**, **sustainable service funding**, and **strong partnerships** across housing, healthcare, disability, aging, behavioral health, and homelessness systems.

By combining supportive housing-focused QAP strategies with broader efforts to align funding streams and public systems, states can create the conditions necessary to expand housing opportunities for people with disabilities who are experiencing homelessness, at risk of homelessness, or unnecessarily institutionalized. Taken all together, these strategies can help communities increase supportive housing production, improve housing stability, and advance better outcomes for residents and public systems.

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