



Preservation Stabilization Fund Brief

Preservation of Supportive Housing: State Efforts to Strengthen Vital Assets in the Fight Against Homelessness

April 2026

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. 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.

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INTRODUCTION

America is facing a housing and homelessness crisis. CSH has [estimated the nation needs more than 1.1 million units of supportive housing](#) to both house those who are currently homeless and to stem the flow into our shelters from other systems – like child welfare, corrections, aging, and hospitals. But another less visible crisis is also brewing in communities across the country, and that is the loss of existing supportive housing buildings – the backbone of a community’s solution to unsheltered homelessness.

While there is currently no national data set specific to supportive housing properties, CSH’s 2024 [Industry Survey](#) found that the majority of supportive housing partners (more than 500 respondents in 44 states) have significant property related challenges, including lack of resources to make needed building repairs or upgrades. This deferred maintenance combined with rising costs of property insurance and utilities creates a perfect storm of challenges for non-profit supportive housing owners. CSH expects many supportive housing buildings will be sold or rendered obsolete in the near-term.

Publicized portfolio failures in Chicago and Los Angeles offer a “wake up” call that, without concerted attention and action, communities may find themselves scrambling to shore up the non-profits that own buildings, and keep people housed. Supportive housing owners cannot raise rents to cover expenses the same way market-rate owners can. In July 2025, Enterprise Community Partners released a [report](#) documenting the capital needs of 20 non-profit owned supportive housing sites in Los Angeles. The authors found an average of \$15,000 per unit in deferred maintenance needs, including repairs needed for expensive systems like roofs and HVAC.

These challenges are, of course, broader than just supportive housing. The Picture of Preservation report found that some 71,000 affordable rental units were lost in 2024, a year when only 104,000 new units were created.¹

Preserving the stock of supportive housing is essential as we work to address the housing supply problem that is pushing people into homelessness and keeping them there longer.

This briefing paper describes promising approaches states and counties across the country are taking to maintain or improve vital supportive housing assets and offers recommendations on strategies worth replicating.

¹ [Picture of Preservation 2024.pdf](#)

The Opportunity

Congress enacted legislation in July 2025 making key policy and funding changes that are expected to add over 1 million units of affordable housing across the U.S. However, uncertainty around the future of rental subsidies and a relatively smaller increase in the 9% Low Income Housing Tax Credit (LIHTC) program mean these new investments likely won't create much supportive housing. Instead, it is a great time to explore new or enhanced preservation strategies for supportive housing.

Preserving supportive housing is much cheaper and quicker than developing new units. While every project is different and geographic variables impact construction costs, a rehabilitation project will typically cost \$50,000-\$200,000/unit while a new development will cost triple that amount.²

Summary of Information

The National Housing Trust examined 53 Qualified Allocation Plans (QAPs) in December 2024 and found that just six QAPs offer specific advantages in the 4% credit/PAB program, like points or set asides, to encourage preservation. There are many more states offering incentives in the 9% program.³

Outside of the QAP, states and counties have dedicated resources to preserving affordable and supportive housing. Though not a comprehensive list or analysis, CSH was able to identify 19 preservation financing tools, including five directly targeting supportive housing, available through both state and municipal housing agencies.

The five that are supportive housing specific are: New York's Supportive Housing Preservation Program, Minnesota's Distressed Multifamily Building Program, the Ramsey County (MN) Support and Stabilize program, Chicago's SRO Preservation Initiative, and Oregon's Permanent Supportive Housing Risk Mitigation Pool.

This report focuses on eight state and local preservation programs, both those focused on supportive housing, and those that are available to a larger range of affordable properties.

² Jayachandran, Priya "In the rush to build, existing affordable housing is falling apart." [Shelterforce](#) May 9, 2024. [In the Rush to Build, Existing Affordable Housing Is Falling Apart — Shelterforce](#)

³ National Housing Trust [Encouraging the Use of the 4 Percent Housing Credit for Preservation | National Housing Trust](#) July 01, 2025.

The selection of programs is intended to reflect the diversity of opportunities and approaches to stabilize and protect supportive housing properties.

Summary of Promising Practices

States and municipalities have a broad range of tools to deploy in preserving much-needed supportive housing buildings – from set-asides of tax credits to dedicated local sales tax revenues. Most of the approaches adopted to stabilize properties are grants or forgivable loans. Even the programs that require repayment offer very low or nominal interest rates, which reflect the fact that most building owners cannot cover the cost of debt repayment in operating supportive housing buildings.

While supportive housing has been around for decades, preservation efforts are only just recently emerging as a focus of housing agency investment. Each of the programs we reviewed was launched within the past six years and most are just now ramping up. However, as the differential between rental income and cost of operating properties is widening quickly, more supportive housing properties across the country face threats to continued operations. The adoption of preservation programs is increasingly viewed as an efficient component of state and local housing supply strategies.

STATE AND COUNTY SUPPORTIVE HOUSING PRESERVATION PROGRAMS

New York’s Supportive Housing Preservation Program

In 2022, the New York state legislature enacted the Supportive Housing Preservation Program, which establishes a revolving loan program to preserve up to 3,000 units of aging supportive housing in the state. The program was part of a larger \$1.5 billion Supportive Housing Opportunity Program. The basics of the program are as follows:

Administering agency	State of New York, Homes and Community Renewal
Funding Source	State bonded capital program
Allocation	\$450 million (funded in 2023) with \$50 million set-aside for Single Room Occupancy (SROs)
Financing mechanism	Low-interest subordinate subsidy loan with 30-year term; projects are required to enter into a Regulatory Agreement for a minimum of 40 years.

Eligible uses	Up to \$150,000 per unit is made available for the “preservation and improvement of existing supportive housing with on-site services.” Funds are primarily used for rehabilitation and associated soft costs, but other uses are also eligible. Projects include moderate renovation to conversion of SRO units and major rehabilitation (See complete description: HCR Supportive Housing Preservation Term Sheet - Spring 2025)
Is the fund specific to supportive housing?	Yes, only projects that are currently operating as supportive housing are eligible for funding.
Project awards to date	176 units of supportive housing have been preserved to date.

CASE STUDY: New York’s Supportive Housing Preservation Program in Action

Columba Kavanagh House, Inc. was started in the 1980s by the Sisters of Charity. The non-profit converted a set of six properties in the early 1990s (the buildings were originally built in the early 1900s) to SRO and affordable units for people who were homeless or at risk of homelessness in New York City’s Upper Manhattan. Today, these properties need major renovations. The façade and chimney stacks in some of the buildings need repair, as do the mechanical and electrical systems. The non-profit also recognizes the need to adjust the unit configurations to address the accessibility needs of aging tenants and plans to convert SROs to efficiency apartments.

Figure 1 - Columba Kavanagh House, New York, NY



The Sisters of Charity Development Corp was awarded funding from NYC Energy Efficiency Corporation (NYCEEC) to make electrification and energy efficiency improvements to the buildings as part of the predevelopment process and is in the process of raising a total of \$55 million, including funding from the Supportive Housing Preservation Program.

For additional information: <https://www.linkedin.com/company/new-york-city-energy-efficiency-corporation>

- [What to Think About When You’re Preserving – The Supportive Housing Network for New York](#)
- [Predevelopment Loans for Partial Electrification in Supportive Housing in Upper Manhattan – New York City Energy Efficiency Corporation \(NYCEEC\)](#)

Minnesota’s Distressed Multifamily Building Program

The Distressed Multifamily Building Program was created in 2023 as part of a \$1 billion bipartisan housing omnibus bill addressing homeownership and housing affordability. The new program seeks to assist non-profit and other owners of affordable and supportive housing that are at risk of foreclosure or bankruptcy by providing grants or loans that could resolve the property’s financial challenges within five years.

Administering agency	Minnesota Housing Finance Agency
Funding source	State capital program
Allocation	One-time appropriation of \$50 million
Financing mechanism	Grants or loans that are deferred, forgivable, or amortizing
Eligible uses	Debt restructuring, deferred maintenance and rehabilitation, project operating costs, capitalized reserves, financing to sell or transfer property, and costs associated with various reporting and compliance activities. (See: MNHousing Distressed Building Program Guide program information)
Are the funds specific to supportive housing?	No, but there is a \$15 million set-aside for supportive housing
Project awards to date	Applications were due in November 2025

Virginia Housing’s Preservation Pool

Virginia Housing created a Preservation Pool as a new set-aside in their 2025 QAP for the 9% LIHTC program. As thousands of LIHTC units in the state are scheduled to reach the end of their compliance period, the state’s housing leaders recognized the need to prioritize keeping units affordable and committed 10% of the available credits for this purpose to ensure at least one preservation project is funded each year.

Administering agency	Virginia Housing
Funding source	Federal LIHTC

Allocation	10% of the annual LIHTC allocation, starting in 2025
Financing mechanism	Federal LIHTC allocation with standard LIHTC requirements including 30 years of compliance with affordability restrictions, as well as compliance with all additional federal and self-selected requirements.
Eligible uses	Rehab or new construction that involves the demolition and rebuilding of existing LIHTC units. Reserved for developments seeking re-syndication after having completed over 20 years of LIHTC compliance and the initial investor/syndicator must have exited the ownership.
Are the funds specific to supportive housing?	No
Project awards to date	In the first year (2025), Piedmont Housing Alliance was awarded the Preservation set-aside to advance a new construction (demo and rebuild) phase of a multi-phase redevelopment project in Charlottesville that will preserve 150 units and add hundreds more. Virginia is home to a number of non-profit owned supportive housing buildings that are near or past the end of their compliance period that would be expected to pursue funding in future rounds.

Website: [Virginia Housing - Home Helps Everyone.](#)

Contact: Stephanie Flanders, Director of Tax Credit Programs Stephanie.Flanders@virginiahousing.com

Washington's Housing Operations and Maintenance Programs

Washington state's Department of Commerce manages several different programs to help preserve and sustain the state's supportive housing stock. (Housing Preservation Program, Continuing Affordability program and the Emergency Repair Program are listed below). The Housing Trust Fund Operations and Maintenance fund (HTFOM) and the PSH Operations and Maintenance (PSHOM) are two programs that address operations gaps that tend to result in deferred maintenance and long-term property issues for Housing Trust Fund Projects or other publicly funded housing projects.

Administering agency	Washington Department of Commerce
Funding source	Document recording fees
Allocation	\$91M biennial appropriation for supplemental grants (ESSB 5167, 2025)
Financing mechanism	Awards are structured as cost reimbursement grants.
Eligible uses	Operations and maintenance grants are reimbursements to affordable housing or PSH owners for eligible expenses that exceed the revenues from rental assistance programs to ensure low-income persons are housed (RCW 36.22.250).

Are the funds specific to supportive housing?	The HTFOM is available for affordable and supportive housing, and the PSHOM is only available for supportive housing.
Project awards to date	Commerce publishes guidelines on each of the programs, see for example: https://deptofcommerce.box.com/s/6nvbu5rlrybf5ybeue0w0je1xqr3wyub https://deptofcommerce.box.com/s/mcb3geaq1x2i50xzj7glhvu1fvtkj5vf

Washington’s Housing Preservation Programs

A key source of revenue for the preservation programs in Washington State is the Affordable and Supportive Housing Sales and Use Tax, enacted in 2019. This authorizes localities to add a sales tax which can be credited against state sales tax contributions. Revenues from these credits may be used to address locally identified affordable and supportive housing needs. Commerce also manages state bond programs and general revenue-funded programs that are focused on capital improvements. The Housing Preservation Program (HPP) and Continuing Affordability Program (CAP) fund capital improvements to extend the affordability and useful life of supportive housing developments.

Administering agency	Washington Department of Commerce
Funding Source	Document recording fees
Allocation	\$50M for capital grants, with 40% for preservation and 60% for construction
Financing mechanism	Awards are structured as grants or loans. Grantees must enter into extended affordability contracts typically 15 years or 5 years from the end of existing requirements.
Eligible uses	Capital sources through HPP and CAP can be used to make building improvements and preserve existing developments. Operations and maintenance grants are reimbursements to owners for eligible expenses that exceed the revenues from rental assistance programs.
Are the funds specific to supportive housing?	Most are available to affordable and supportive housing, with the exception of the PSHOM, which is only available for supportive housing.
Project awards to date	See the report found on Commerce’s website: Commerce makes awards to preserve and repair 873 units of affordable housing – Washington State Department of Commerce

Website: [Housing Preservation Program – Washington State Department of Commerce](#)
Contact: Melodie Pazolt, Washington Department of Commerce

California's Portfolio Reinvestment Program

California's Portfolio Reinvestment Program (PRP) was created through a proposal in the Governor's 2021-2022 fiscal year budget to address the growing capital and operating needs of projects with expiring affordability covenants that were funded through earlier state programs. It was enacted by the state legislature, and the first awards were issued in 2022 by the state's Department of Housing and Community Development (HCD).

Administering agency	California Department of Housing and Community Development
Initial Funding source	American Rescue Plan Act of 2021 (ARPA)
Funding source	State General Revenue funds
Initial allocation	\$332.5M (2022-2023)
Most recent allocation	\$112M (2023-2024)
Financing mechanism	Loan; To access the program, projects must have an expiring HCD affordability covenant before 2033, or have been foreclosed on by another public lender, or originally funded by a Legacy Program and has not received funding for substantial rehabilitation work in the past 15 years. A renewed deed restriction is recorded against the property, as well as a loan agreement with a 3% simple interest on unpaid principal deferred, and a 55-year term. HCD does require an annual payment of .42% of the loan annually.
Eligible uses	• Rehabilitation hard costs (work to extend the useful life of the building) • Soft costs, including architectural and engineering, environmental, permits, carry costs, etc. • Accessibility improvements • Capitalized operating subsidy reserve • Capitalized HCD monitoring fee reserve • Capitalized replacement reserves • Developer Fee (2.5M or 15% of TDC, whichever is lower)
Are the funds specific to supportive housing?	No
Project awards to date	A total of 41 projects for 1,874 units, serving 3,918 persons were preserved across the state over the past three years. The total funds awarded was \$426,815,461; of which \$410,692,066 for rehabilitation and \$16,123,395 for capitalized operating subsidy reserve. Of the funds allocated, \$108M was awarded to seven SRO projects under the NOFAs.

Website: [Portfolio Reinvestment Program \(PRP\) | California Department of Housing and Community Development](#)

CASE STUDY: California's Portfolio Reinvestment Program in Action

In 2023, HCD awarded PRP funds to Abode Communities to preserve a 144-unit supportive housing building in Los Angeles County. The building, first constructed in 1910 as a YMCA Single Room Occupancy building, needed extensive renovations. Recent plumbing issues caused significant water damage and there were major systems and upgrades needed throughout. Abode raised more than \$26M from the state and county to significantly renovate the property to better serve very low-income older adults and formerly homeless adults. The housing will remain affordable for 55 years and is scheduled to reopen in 2026.



Figure 2 – Exterior of Centennial Place; photo originally published in *Pasadena Now* (July 2023)

Illinois's Capital Bill Preservation Program: Limited Rehabilitation

The state of Illinois created the Capital Bill Preservation Program: Limited Rehabilitation to address the capital improvement needs above and beyond what can be addressed through replacement or other reserves in income-restricted housing developments. Typical renovation activities under the program include roof and HVAC system replacement, unit upgrades, repairs to communal spaces, and façades, etc. A third-party capital needs assessment of the property provides a prioritization of required work, and the money is used in a waterfall approach until funds are exhausted. The program extends and enhances the availability of affordable and supportive housing throughout the state and prevents recapture of federal grants and loans that were part of the building's financing.

Administering agency	Illinois Housing Development Authority (IHDA)
Funding source	State Capital Bill appropriation of \$200M over five years to IHDA for various affordable housing and homeownership programs.
Allocation	\$28M for 2022-2026. A second round Request for Applications was issued in March 2026 for approximately \$30M.
Financing mechanism	Grants, capped at \$475,000/project. Awardees must extend affordability restrictions for an additional 10 years. While no repayments are required, recapture is allowed if the property is no longer in compliance with terms established in the program rules.
Eligible uses	Grants are awarded to reimburse owners for rehabilitation of multifamily properties with at least 8 units. Awards are based on a Physical Needs Assessment (PNA) and determination that the building is at risk due to building conditions, risk of recapture, or loss of affordability. The PNA provides a third-party review to document need. Affordable and supportive housing projects throughout the state are eligible but must have existing income restrictions.
Are the funds specific to supportive housing?	No
Project awards to date	At least \$27M has been expended to date, preserving 3,930 units. Nearly 90 applicants sought funding through the program and 63 were awarded.

For more information: [THE ILLINOIS AFFORDABLE HOUSING TRUST FUND PROGRAM](#)

Contact: Nelson Jimenez, Assistant Director, Portfolio Analysis, Illinois Housing Development Authority
preservationprogramlimitedrehab@ihda.org or 312-836-5200

Website: [Property Owners, Managers, & Other Partners – IHDA](#)

New Mexico's Preservation Loan Fund

The state of New Mexico created a Preservation Loan Fund in 2022 to address the capital needs of properties that are at risk of exiting affordability. The program can provide up to \$2 million for rehabilitation, acquisition of existing affordable properties, and pre-development financing for existing properties in the LIHTC portfolio that are seeking re-syndication. The program offers more flexible terms than other financing offered by the state to meet specific projects' needs. Applicants can include a range of ownership types including non-profits, tribal entities, and for-profit organizations.

Administering agency	Housing New Mexico Mortgage Finance Authority
Funding source	New Mexico severance tax bonds. Reoccurring funding source. Referred to as NM Housing Trust Fund.

Allocation	\$2 million
Financing mechanism	Grants or loans, based on the specific project’s finances. Recent awards have been issued as low-interest (1%) loans with interest-only repayment and terms of 20-40 years.
Eligible uses	Funds from the Preservation Loan Fund may be used for rehabilitation or acquisition aimed at keeping multifamily properties affordable. For rehabilitation, the program offers long-term, low interest loans to repair and renovate properties with a focus on extending structural longevity. Funds can also be used for acquisition to provide long-term, low interest loans to assist buyers in acquiring existing affordable housing to preserve units in the community.
Are the funds specific to supportive housing?	No
Project awards to date	In the first round of funding, 144 units were created and 60 were preserved.

Contact: Sherry Stephens: sstephens@housingnm.org, Preservation Program Manager, [505-767-2250](tel:505-767-2250)

Website: [New Mexico Preservation Loan Fund | Housing New Mexico | MFA](#)

For more information: [NM_Preservation_Loan_Fund_Policy_2025_Revision.pdf](#)

CASE STUDY: Las Brisas Apartments in Albuquerque, NM

The Las Brisas Apartments property received an award from the New Mexico Preservation Loan Fund to preserve the 120-unit multifamily property located in Albuquerque. Post Real Estate Group, which manages the building, was able to make both exterior and interior improvements that will extend the life and affordability of property.

Las Brisas received an updated and refreshed façade, as well as major building system upgrades like roofing, plumbing and HVAC. “We also made important safety enhancements – such as new second-floor staircase steps and secure vehicle gates – that improve both curb appeal and

resident security. Inside the units, we focused on rehabilitation efforts that matter most to residents: replacing outdated appliances, upgrading finishes, and enhancing overall livability to ensure comfortable, dignified homes for years to come. This award has not only improved the physical environment at Las Brisas but has also helped preserve the



Figure 3 – Exterior of Las Brisas Apartments

property’s long-term affordability.” – Kevin Conde, Asset Manager for Post Real Estate Group.

Housing New Mexico shared a quote from one of the tenants in Las Brisas Apartments, who noted her appreciation of the extensive renovations. “My unit feels completely refreshed – I love the new appliances, and even small changes like the updated flooring and fixtures have made my home feel more comfortable. It’s clear that safety and quality were top priorities, which really makes me feel more at ease. The building looks better and feels safer overall, and I truly appreciate that all these improvements were made without losing the sense of community or affordability. It’s meaningful to see real investment in the place we call home.”

Ramsey County’s (MN) Support and Stabilize Program

Localities have also taken steps to preserve supportive housing. Ramsey County, Minnesota initiated the Support and Stabilize Program in 2024 and awarded its first grants the following year. The program is funded through a local sales tax, the Local Affordable Housing Aid (LAHA) and responds to challenges faced by supportive housing operators confronting higher maintenance and operating expenses.

Administering agency	Ramsey County Department of Community and Economic Development
Funding Source	Local sales tax
Allocation	\$5 million (2025)
Financing mechanism	
Eligible uses	
Are the funds specific to supportive housing?	Yes, supportive housing is prioritized
Project awards to date	\$5M was awarded in 2025 to 10 projects.

Website: [Support and Stabilize | Ramsey County](#)

CONCLUSION

States and localities can implement a range of financing and programmatic approaches to preserve at-risk properties. Supportive housing owners can take advantage of both programs targeted at the industry specifically, as well as those that are available to affordable housing owners more broadly.

In most cases, preservation investments are cheaper and quicker to deploy than the increasingly complicated capital stack required to build new units. Importantly, stabilizing supportive housing properties offers continuity of services and housing to the tenants, and can improve the surrounding communities.

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