



The Housing Credit is our nation's most successful tool for encouraging private investment in the production and preservation of affordable rental housing. What many don't know is that the Housing Credit is widely used in funding development of supportive housing. Supportive housing combines affordable housing with supportive services that help people with complex care needs live with stability, autonomy, and dignity.

People who live in supportive housing are linked to intensive case management and voluntary, life-improving supports like health and behavioral health care, workforce opportunities, and childcare. Research has shown that **supportive housing has positive effects on housing stability, mental and physical health, family reunification, and school attendance**. People in supportive housing live more stable and productive lives and supportive housing helps

promote public safety and thriving communities. Studies in multiple states and cities have shown that supportive housing results in tenants' **decreased use of shelters, emergency rooms, and jails**, increasing **positive health outcomes for tenants while reducing costs to local and state governments**.¹ Currently, all states encourage supportive housing in their selection process for allocating Housing Credits.² Nonetheless, there is more opportunity to scale this model.

The Need for Supportive Housing

Almost 1.1 million individuals and families³ in the United States have needs consistent with supportive housing but do not have access to this highly effective model of service-enriched housing. With more people choosing to receive care in home-based settings, the utility of the Housing Credit will become a critical element of scaling supportive housing to meet the national demand and making supportive housing more accessible, affordable, and sustainable as people age.⁴

The Affordable Housing Credit Improvement Act (AHCIA, S. 1515 / H.R. 2725)

Provisions to support Affordable Housing Development

The AHCIA includes several provisions that make it easier to finance affordable housing through the Housing Credit, including Supportive Housing.

Expand the Housing Credit. The Housing Credit is over-subscribed, meaning far more potential developments are submitted to receive Housing Credits than are available. Increasing the annual Housing Credit allocation by 50 percent, phased in over two years, would finance an additional 167,000 affordable rental homes over 2025-34, providing more housing for low-income individuals and families.

Increase the amount of Housing Credits for developments serving extremely low-income (ELI) tenants.* Developing housing affordable to ELI tenants requires significant additional subsidy because the expected rents will be too low to pay off much debt on the property. These properties often also include critically needed supportive services, adding to the cost of the development. Providing additional Housing Credits for ELI properties (if needed for financial feasibility) would allow the Housing Credit to serve more ELI persons. **ELI households make at or below the greater of 30 percent of Area Median Income or the Federal Poverty Line, but ELI households do not always live in or need supportive housing.*

¹ CSH. (2025). *Supportive Housing Research Bibliography of Sources – 2002-2025*. <https://www.csh.org/resource/supportive-housing-research-bibliography-of-sources-2002-to-2025/>

² CSH. (2020). *2019 QAP Data Analysis*. <https://www.csh.org/qap/>

³ CSH. (2026). *Supportive Housing Need Tool*. <https://www.csh.org/resource/supportive-housing-need-tool/>

⁴ CSH. (2025). *Evidence for Supportive Housing Brief*. <https://www.csh.org/wp-content/uploads/Evidence-for-Supportive-Housing-Brief-CSH-2025.pdf>