

State of North Carolina

Permanent Supportive Housing Framework

The State of North Carolina Permanent Supportive Housing Framework was created as part of North Carolina’s participation in the 2024 Housing and Services Partnership Accelerator (HSPA) cohort. The U.S. Department of Health and Human Services (HHS) and Department of Housing and Urban Development (HUD) created the federal initiative to help strengthen partnerships across housing, disability, aging, and health sectors; access available federal programs and resources, and maximize federal flexibilities to help keep people healthy.

The Framework has been adopted by the following groups:

- NCDHHS Strategic Housing Plan’s Housing Leadership Committee (July 2025)
- NCDHHS Olmstead Plan Stakeholder Advisory (December 2025)
- NC Interagency Council for Coordinating Homelessness Programs (March 2026)

Purpose of the Framework

North Carolina has been at the national forefront of leveraging partnerships, infrastructure, and funding streams to provide community-based, integrated Permanent Supportive Housing (PSH). In 2024, the North Carolina Department of Health and Human Services (NCDHHS) released the NC Strategic Housing Plan, which focuses on the creation and preservation of, and increased access to, PSH opportunities across North Carolina. Creating and sustaining PSH under the Plan allows North Carolina to unite two important policy initiatives — ending chronic homelessness and ending unnecessary institutionalization — within a single comprehensive policy framework.

In addition, the NC Strategic Housing Plan commits to creating a range of PSH opportunities with a continued priority on the integrated PSH model, which will further support the community integration goals laid out in North Carolina’s Olmstead Plan and the efforts of the North Carolina Interagency Council on Coordinating Homeless Programs. The plan calls for the creation of a PSH Framework for the state.

By laying out the core principles and characteristics for PSH, the Framework will:

- Guide the development of policies, procedures, and tools to better align programs and assist individuals and service providers in understanding and navigating their options for program participation;
- Provide a foundation for programs to expand in a way that is consistent with the principles expressed in the Framework;
- Facilitate training and quality assurance across programs so that resources and workforce can be optimized.

NC PSH Framework: Definition and Services Description

The following are defining characteristics of the state’s approach to Permanent Supportive Housing.

- PSH is permanent, community-based housing targeted to individuals and households who need deeply affordable housing and access to long-term housing-related supports to become and remain successfully housed in the community. PSH is targeted primarily, but not exclusively, to very low-income households and individuals with serious, long-term (including life-long) disabilities.
- PSH tenants have leases with all the typical rights and responsibilities under tenant-landlord laws. PSH provides for permanent, continued housing occupancy with an indefinite length of stay as would be found in any tenant-landlord relationship.
- Housing for PSH is high quality and safe, generally meeting federal housing quality standards for safety, security, and housing/neighborhood conditions.
- Tenants are involved in choosing housing that meets their needs and reflects their preferences.
- Tenant rent obligations in PSH aim to meet federal housing affordability guidelines (30-40% of income for rent and utilities).
- PSH services are voluntary and cannot be mandated as a condition of ongoing tenancy. Tenants are provided access to a comprehensive and flexible array of housing stabilization services responsive to their needs, accessible where they live if necessary, and designed to obtain and maintain housing stability.
- Housing stabilization services are individually tailored, flexible, accessible by the tenant, and provided to the extent possible within a coordinated case plan.
- PSH program participation and services are not subject to time limitations and may continue even when a participant’s housing and/or rental assistance changes whether that change is by choice or due to involuntary circumstances including eviction.
- As an evidence-based practice (EBP), the success of PSH depends on collaboration between service providers, property providers, and tenants to preserve tenancy and resolve crisis situations as they arise.

Description of PSH Services

Housing stabilization services, also known as housing supports, housing-related services, or tenancy supports, are a key component of Permanent Supportive Housing. These include person-to-person supports such as assistance to develop a housing plan, search and apply for housing, enter into a lease, establish a budget, maintain positive relationships with property providers (i.e., landlords and property managers) and neighbors, and address crises that could lead to eviction. It also includes material and financial supports such as assistance with rental and utility arrears, paying application fees and deposits, and providing basic furniture and household goods.

Housing Stabilization Services do...	Housing Stabilization Services do not...
Make services voluntary and focus on engaging participants to work on their goals	Require participation in services or tie financial assistance to participation
Work with participants in the community and where they live to provide hands-on housing stabilization supports	Require participants to come to their office for meetings
Offer flexibility to meet participants' needs, including increasing and decreasing the amount of time and frequency of meetings	Follow a prescribed number of visits despite an increase or decrease in needs
Aim to support the participant in maintaining their housing including uptake of the unit, relationships with landlords/neighbors/friends, and integrating into the community to meet needs	Focus on diagnosis, biopsychosocial assessments, and prescribing medication
Provide warm handoffs for referrals, recognizing that participants may need extra supports to connect to other service systems	Provide information and rely on the participant to connect themselves to other services
Offer tenancy support services to participants so that substance use does not impact tenancy	Require sobriety or attendance at substance use treatment or support groups
Use continuous engagement to ensure that services are always available, person-centered, and tailored to individual needs in terms of duration and level of participation	Place people in housing and stop efforts to engage if the person declines some or all services at any point in time

In addition to Housing Stabilization Services, tenants may need other types of services to be successful and meet their goals in the community, such as assistance with Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL); behavioral health and/or substance abuse services; employment supports; and access to medical care. PSH programs assist participants with navigating larger systems to link to these additional services and supports.

NC PSH Framework: Target Populations

Threshold Criteria

In North Carolina, PSH is targeted to individuals and households who need deeply affordable housing paired with long-term housing-related supports to become and remain successfully housed in the community. This includes individuals with significant long-term and/or lifelong disabilities of any sort, including physical disabilities, disability due to serious mental illness or substance use disorders, intellectual or developmental disabilities, disabilities related to aging, and disability related to complex and/or serious chronic health conditions. PSH is also an effective intervention for individuals and households who face significant challenges in accessing rental housing and maintaining successful tenancy, such as youth aging out of foster care and other populations at high risk for homelessness and housing instability.

It is important to note that many people with disabilities, and many people experiencing homelessness and housing instability, do not need long-term housing stabilization services to become and remain successfully housed in the community. Many such households need only affordable housing to be successful; others may need time-limited housing-related supports and stabilization services in addition to housing they can afford. These individuals and households do not need and are not the target population for PSH. Initial assessments alone cannot be relied upon to identify the intensity and duration of assistance a household might need to be successful. If possible, it is strongly encouraged to develop a system of progressive assistance where a household receives financial assistance and supportive services for a period of time. After evaluating whether ongoing supports are needed, the household can be stepped up into a PSH program. Additionally, as households stabilize in PSH programs and volunteer to graduate from the program, PSH programs should assist them with an exit plan to continue their stay in permanent housing.

While PSH funding streams define and use income levels differently for eligibility, PSH is typically targeted to very low-income individuals and households. This usually means households at or below 30% of Area Median Income, though household income relative to AMI may vary over time depending on household composition, success in accessing employment or benefits, and other factors. Most households in PSH qualify for SSI and have incomes below 20% of AMI. ¹

¹ The FY 2014 Continuing Appropriations Act defines Extremely Low-Income Families as households whose income does not exceed the greater of 30 percent of the median family income for the area or the federal poverty guidelines as published by the Department of Health and Human Services. See reference: <https://www.huduser.gov/portal/datasets/il/il19/IncomeLimitsMethodology-FY19.pdf>. “Low income” is defined as 80% AMI and below.

Prioritization Reflecting Policy Goals

Each PSH program and funding source sets its own eligibility and prioritization of households to serve. In general, North Carolina prioritizes PSH to serve:

- People with disabilities exiting institutions
- Homeless individuals and households
- People with disabilities

NC PSH Framework: Housing Models

Permanent Supportive Housing pairs long-term housing stabilization services with a permanent affordable housing option to stabilize households in the community. PSH can utilize many different housing options, including naturally occurring affordable units that fit within the household’s current budget, reunification with family or friends for a permanent stay, and housing subsidies to make housing more affordable for the household.

PSH Housing Subsidy Models

PSH can utilize several different types of housing subsidies to make housing affordable for households. These include subsidies tied to specific units and those that are connected to a household, which can be used in the rental fair market.

In North Carolina, PSH programs can use multiple forms of subsidy, including:

Type of Assistance	Description	Examples
Project-based Rental Assistance	Subsidy is tied to a particular unit to make housing affordable to low-income households.	<ul style="list-style-type: none"> • NC Targeting/Key Rental Assistance Programs (Tax Credit Properties) • Section 811 Project-Based Rental Assistance • Housing Choice Project-Based Voucher (HCV, Mainstream, HUD-VASH) • Public Housing Units • NC Supportive Housing Development Program²
Sponsor-based Rental Assistance	An agency receives support to buy or lease housing that is then leased to qualified tenants.	<ul style="list-style-type: none"> • Master leasing programs • CoC Leasing projects • Bridge Housing
Tenant-based Rental Assistance	A tenant receives a subsidy that can be used to rent a unit of their choice. The landlord must agree to accept payment through the rental assistance program, and the unit must meet the funding qualifications.	<ul style="list-style-type: none"> • Back@Home-BoS • Healthy Opportunities Short-Term Post Hospitalization Housing • Transition to Community Living Voucher • Housing Choice Vouchers • Mainstream Vouchers • HUD-VASH Vouchers

² SHDP is not limited to project based rental assistance and may employ other sources of funding to assure project affordability.

PSH Settings

Priority for Creating Integrated Permanent Supportive Housing

Permanent Supportive Housing is an effective approach to meeting the integration standard as mandated by Title II of the Americans with Disabilities Act (ADA) of 1990 and the U.S. Supreme Court Decision in *Olmstead v. L.C.* (Olmstead). The U.S. Department of Justice issued a statement on the Enforcement of the Integration Mandate under the ADA and Olmstead, as stated below:

“Integrated settings are located in mainstream society; offer access to community activities and opportunities at times, frequencies and with persons of an individual’s choosing; afford individuals choice in their daily life activities; and provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible. Evidence-based practices that provide scattered-site housing with supportive services are examples of integrated settings.”

Community integration standards exist for other programs, such as the U.S. Department of Housing and Urban Development’s Section 811 Project Rental Assistance (PRA) program, where no more than 25 percent of 811 units in a property may be targeted for non-elderly people with disabilities from any and all disability groups.

PSH is provided in settings that meet the key provisions in the Home and Community-Based Services Settings Final Rule.³ These include that the setting is connected to the community, supports individual choice and autonomy, and ensures the individual's rights to privacy, dignity, and respect. Additional requirements include that the household has a lease or other legally enforceable agreement; privacy with locking doors, roommate choice, and ability to decorate; control over schedules and access to food; visitors at any time; and the setting is accessible.

In general, there are two types of settings which PSH is provided:

Type of Setting	Description	Examples
Single Purpose PSH	Tenants who receive housing stabilization services live together in a single building or complex of buildings with or without onsite services.	<ul style="list-style-type: none"> • Moore Place (Charlotte) • Woodfin Apartments (Asheville)
Integrated PSH	Tenants who receive housing stabilization services live throughout the community in housing that may be agency-owned or privately owned.	<ul style="list-style-type: none"> • Targeting/Key Programs • Back@Home-BoS • Healthy Opportunities Short-Term Post Hospitalization Housing • Transition to Community Living Voucher • Housing Choice Vouchers

³ <https://www.medicaid.gov/medicaid/home-community-based-services/downloads/hcbs-setting-fact-sheet.pdf>

No matter the setting, the PSH program participant should be provided choice in their housing as the program and the rental market allow.

Single Purpose Permanent Supportive Housing

It is important to note that when PSH is provided as single purpose PSH there should be a separation between housing stabilization services and the property management that oversees the tenancy of the household. Tenancy is not tied to participation or progress in services or a service plan. Separation also includes different staff managing services and property management, and the provision of a choice of housing for the household.

Models that are not PSH Housing Models

Supervised residential facilities are typically congregate settings with multiple individuals and onsite staff coverage ranging from a few hours to 24 hours daily. These types of facilities typically do not meet the standards of a home setting and are not used in PSH programs. Examples of supervised residential facilities include:

- Group Homes – partial up to 24-hour supervised
- Boarding Homes
- Adult Homes
- Adult Care Homes
- Personal Care Homes
- Assisted Living
- Transitional Housing
- Multi-Unit Assisted Housing (MUAH)

Programs that Administer PSH as of December 2024

North Carolina has four major state-level programs providing the housing stabilization services that, along with affordable rental housing, constitute the core components of PSH. Taken together, these programs have produced several thousand units of affordable housing statewide and assisted thousands of individuals and households to transition from homelessness, institutionalization, and unstable housing situations into successful tenancy. The State of North Carolina administers the following PSH programs:

Healthy Opportunities Pilot (HOP). In October 2018, the Centers for Medicare and Medicaid (CMS) approved the Healthy Opportunities Pilots model as part of North Carolina’s 1115 demonstration waiver. HOP is the nation’s first comprehensive program to test and evaluate the impact of providing select evidence-based, non-medical interventions related to housing, food, transportation, and interpersonal safety and toxic stress to high-needs Medicaid enrollees. In total, 28 services were implemented to address non-medical drivers of health in three pilot regions of the state. Housing-related services are being offered in three pilot regions of the state, including:

- Housing navigation, support, and sustaining services
- Housing inspection, move-in support, and essential utility set-up
- One-time payments for security deposit and first month’s rent
- Home remediation
- Home accessibility and safety modifications
- Healthy home goods
- Short-term post-hospitalization housing
- Medical Respite
- Linkages to Health-Related Legal Supports

In 2024, an amendment to the 1115 waiver was approved by CMS, providing the state with authority for HOP to expand statewide and the option to offer an enhanced package of housing-related services, including short-term (up to 6 months) rental assistance through December 2029.

Back@Home - Balance of State (Back@Home-BoS). Launched in January 2024, Back@Home-BoS provides Rapid Rehousing and PSH to households experiencing homelessness within the 79 counties served by the Balance of State (BoS) Continuum of Care (CoC). The program is a first for the state in braiding multiple streams of federal funding to create simplified payment and administration of a comprehensive package of housing stabilization services. Direct financial assistance, such as deposits, are centralized within one agency. Housing-specific case management, outreach, and housing navigation are provided by nine agencies that are able to bill a per member per month rate that mirrors the payment amount and method similar to the one used in HOP.

The Targeting and Key Rental Assistance Program. Since 2002, NCDHHS and the North Carolina Housing Finance Agency (NCHFA) have partnered closely to include PSH targeted to

people with disabilities and people with disabilities experiencing homelessness in Low-Income Housing Tax Credit (LIHTC) financed housing developments. This initiative, the “Targeting Key” program, expands affordable housing opportunities for low-income individuals with disabilities who need ongoing access to supportive services to obtain and maintain housing. Key Rental Assistance makes units affordable for Targeting Program tenants. The Targeting and Key Rental Assistance Program participants have access to Housing Assessors and Housing Stabilization Coordinators who together work with participating LIHTC properties and referral/provider agencies to coordinate actions to keep tenants stably housed. Service providers are responsible for providing ongoing access to tenancy supports and services to individuals they refer to the Targeting Program.

Transitions to Community Living (TCL). The TCL program was created in response to the state’s agreement with the U.S. Department of Justice in 2012 to deinstitutionalize people with mental illness living in Adult Care Homes or at risk of such placement. TCL offers in-reach to provide information about available housing and community-based supports, as well as ongoing tenancy supports as a component of Medicaid and state-funded community behavioral health services. Individuals transitioned from institutions via the TCL program are a priority group for housing through the Targeting program and have access to rental subsidies for increased housing affordability.