
STRATEGY E: INCREASE SUPPORTIVE HOUSING OPPORTUNITIES

**Create permanent housing options
for persons experiencing or at-risk
of homelessness**

What is the focus of this strategy?

Strategy E is focused on creating and prioritizing permanent housing options for individuals and families transitioning out of homelessness. This strategy includes actions that will help ensure Nashville has an adequate system to build more permanent supportive housing and better utilize existing programs and tools to house those experiencing homelessness. While Strategy C also supports housing development – particularly affordable housing for low- and-moderate-income individuals – the unique and urgent needs of people experiencing homelessness requires a focused approach. By making Strategy E a standalone priority, we aim to ensure the necessary attention, resources, and support are directed specifically towards those who are most vulnerable, helping them secure stable housing and a better future.

Why is this strategy important?

While Nashville has made progress in addressing homelessness, particularly with the creation of the Office of Homeless Services and one-time funding from the American Rescue Plan Act, challenges remain. A recent report from the [Homeless Management Information System](#) (HMIS) shows that 3,243 people experienced homelessness in Nashville in February 2025. These 3,243 individuals make up 2,782 households, including 228 families and 2,554 adult-only households. The inflow of people experiencing homelessness continues to outpace the number of people able to exit homelessness at a rate of 3:1. Although temporary housing options may be available and are critical to meeting the basic needs of those experiencing homelessness, additional focus and efforts on creating permanent housing options is central to addressing homelessness. The limited supply of permanent housing that meets both the financial and social needs of those transitioning out of homelessness remain a major barrier to making homelessness rare, brief, and nonrecurring.

Strategy E and its related actions seek to develop more permanent supportive housing in addition to housing options for those with less complex needs. According to HMIS data, an alarming 44% of Nashvillians experiencing homelessness are considered to be chronically

homeless. An acute physical or behavioral health crisis may lead to homelessness, but the trauma of being homeless often worsens these health conditions. Prolonged living on the streets or in crowded shelter settings often exacerbates conditions such as substance use disorder or serious mental illness and further complicating one's ability to secure housing and stay housed. Permanent supportive housing, which pairs a housing subsidy, or ongoing operating costs, with voluntary case management and support services, is a proven solution to chronic homelessness. It has been shown to not only help people experiencing chronic homelessness achieve long-term stability but also improve their health and wellbeing. It has also been shown to lower public costs associated with the use of crisis services such as shelters, hospitals, jails, and prisons. Stable housing not only provides privacy and safety; it is also a place to rest and recuperate from surgery, illness, and other ailments without worry of where to sleep and find meal, or how to balance these needs with obtaining health care and social services.

HUD defines a chronically homeless person as either 1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR 2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.

Who will this strategy serve?

This strategy will serve our unhoused community with a priority on those individuals experiencing or at risk of experiencing chronic homelessness.

How will we measure our progress?

Metric	Description	Source(s)
Permanent Supportive Housing Production	Total number of Permanent Supportive Housing units funded for development	Metro Housing Division; Metropolitan Development and Housing Agency; Office of Homeless Services; Developer Community
Average Length of Homelessness	The average duration an individual experiences homelessness, measured from their entry into the Homeless Management Information System (HMIS) to the time they obtain permanent housing	Office of Homeless Services, HMIS
Homelessness Return Rate	Percentage of individuals entering into HMIS that were returning to homelessness	Office of Homeless Services, HMIS
Voucher Utilization	Total number of vouchers utilized by households exiting homelessness	Metropolitan Development and Housing Agency; Office of Homeless Services
Homelessness Exit Rates; Homelessness Exit Destinations	Total number of individuals exiting homelessness; total number of individuals exiting homelessness by destination type	Office of Homeless Services, HMIS

What will it take to achieve?



**Staff Time, Capacity
or Expertise**



**Advisory/Contractual
Services or Technical
Assistance**



**Funding
or Financing**



Data



Philanthropy

Strategy E Actions

Action 28: Advance the Office of Homeless Services and the Homelessness Planning Council's Strategic Plan

With support from the Office of Homeless Services (OHS), the Homelessness Planning Council (HPC) released a three-year strategic plan aimed at making homelessness in Nashville “rare, brief, and non-recurring.” Many actions outlined in the UHS align with the goals of the HPC’s strategic plan, such as incentivizing the creation of new Permanent Supportive Housing (PSH) homes, prioritizing project-based vouchers for deeply affordable homes, deepening philanthropic partnerships to identify new funding sources for affordable housing and services, tracking and analyzing housing and market conditions, and strengthening alignment between key stakeholders through formal agreements like MOUs. To further support these objectives, Metro agencies and executive leadership should also advance collaborative efforts by backing the communications strategy developed by OHS and HPC. This will include sharing press releases and incorporating data collected by OHS into reports and dashboards monitored by the Housing Division, helping sustain momentum toward ending homelessness in the city. In addition to these actions, the following additional actions will support OHS and HPC in meeting the objectives of their strategic plan:

Action 28a: Prioritize vouchers for those transitioning out of or at risk of homelessness

MDHA should evaluate its current prioritization of Housing Choice Vouchers (HCVs) and determine how many additional HCVs can be set aside for those transitioning out of or at risk of homelessness based on data collected in the Homeless Management Information System (HMIS). Providing HCVs to households transitioning out of homelessness, or at high risk of homelessness, is an effective strategy for reducing and preventing homelessness.^v HCVs do not expire, unlike many other vouchers for those transitioning out of homelessness which have a limited time frame which often leads households to fall back into homelessness after the voucher expires. MDHA should prioritize Project-Based Vouchers (PBVs) for developers that utilize a competitive process and dedicate units to people experiencing homelessness. Increased housing navigation and landlord engagement in swift housing placements and increased utilization of housing vouchers. At the end of FY 2024, MDHA’s voucher subsidy expense far exceeded their annual budget resulting in a pause in voucher availability. As vouchers are inaccessible currently, creative solutions and strategic coordination is essential.

Action 28b: Encourage a local homelessness preference at MDHA-owned housing

MDHA should evaluate how homeless households can be integrated into redevelopment projects and existing housing in a manner that supports the strength and wellbeing of the entire community and avoids concentrating vulnerable populations. This prioritization should apply over households already on the MDHA waitlist; however, it should not apply over households living in MDHA properties temporarily relocated due to redevelopment. MDHA has an obligation to ensure those households have a right of return. As part of MDHA's evaluation, it should consider the stability and cohesion of the communities that will be receiving households existing homelessness and seek to avoid concentrations of households in transition and destabilizing existing subsidized housing communities. However, for this to be successful requires resources for case management and supportive services through OHS and its partners and utilizing the Coordinate Entry process for referrals.

MDHA's current selection process includes operating a first-come first-serve short window of opportunity, which does not allow for equal access opportunities for those experiencing chronic homelessness. This also does not ensure that people are connected to ongoing supportive services once they are selected off the waiting list. OHS has held initial conversations with MDHA to seek prioritization and preference needs. A monthly working group is scheduled to solidify details for a pilot program to include in the annual MOU revisions. Technical guidance was provided by Dr. Sam Tsemberis.

Action 28c: Explore reliable sources for operations (rental assistance) and supportive services

With the expiration of ARPA, Nashville will need a new funding source for supportive services, including for PSH residents. Additionally, project-based vouchers—a federal resource that is essential to creating homes affordable at 30% AMI because they support property operations—are a limited resource, and MDHA is nearing capacity. In response to this limitation, other jurisdictions around the country have turned to local sources. Charlotte, NC funds deeply affordable homes by earmarking a portion of the new tax revenue from affordable developments while Washington, D.C., and New York City directly fund a local project-based voucher program that developers apply for the same as PBVs. Austin, TX, was instrumental in utilizing local funding sources as they increased PSH by an additional 1,200 units in one year. Local dedicated funding source was incorporated into the annual operating budget to support operating costs. OHS conducted a field study in Austin in February 2025 and Austin leaders met with relevant Metro agencies, including OHS and the Housing Division, in March 2025 to offer technical assistance and share more about their model. Metro should explore and identify this source (or sources) and should ensure that the new funding is sufficient to support extensive case management and supportive services such as financial coaching and counseling.

Action 28d: Bolster the tools, resources, strategies, and funding to support the Low Barrier Housing Collective

The Low Barrier Housing Competitive Grants program, administered by Metro OHS, was created with a one-time allocation of \$3.5M in COVID Cares and ARPA funds. This funding yielded collaborative partnerships with nearly 330 properties across Nashville and Davidson County. These properties utilize a new tool, PadMission, to update and highlight barrier reductions and track utilization and vacancies. The number of vacant housing units identified in PadMission far exceeds the number of accessible voucher subsidies each month. This funding created an incentive, allowing unhoused individuals to become more competitive when seeking housing by asking property managers to overlook punitive barriers such as the income requirements when a voucher subsidy is attached.

In 2024, additional awards of \$4M were made to five organizations for local capacity building efforts. These awards included funding for innovative partnerships between medical systems and housing providers, training, and counseling for hard-to-house populations, and supportive service funding. For the unhoused population, it is essential for a designated system to incentivize options for increased accessibility for this vulnerable population. Funding for this program is available through 2026, and to ensure its continuation, OHS may seek to sustain it in future budget requests.

This presents a clear opportunity for private partners, including philanthropic organizations, to engage as funders and ensure the ongoing success and expansion of this critical initiative.

Action 29: Develop a strategic plan for Permanent Supportive Housing to support annual creation of 900 PSH units for individuals experiencing or at risk of experiencing homelessness

Though the Homelessness Planning Council's (HPC) Strategic Plan includes advancing permanent supportive housing (PSH), a specific plan focused on permanent supportive housing is essential to coordinate partners, allocate resources, and drive action. The February 2025 Homelessness & Housing Data report from the Office of Homeless Services state that while 3,243 people experienced homelessness in Nashville that month, more than 10,000 unique individuals faced homelessness over the past year. In that same time frame, just over 1,852 people have been housed in Nashville with the assistance and support of local service providers. While many individuals experiencing homelessness require limited financial or housing supports to exit homelessness, there is a dire need for additional homes and support to meaningfully address homelessness in Nashville, and permanent supportive housing (PSH) is an important part of that picture.



In 2024, Nashville opened its first permanent supportive housing facility. Strobel House features 90 homes for Nashvillians experiencing homelessness and embodies Metro's commitment to a "Housing First" approach.

PSH is a housing intervention that combines affordable housing assistance with voluntary supportive services. PSH is intended to help those exiting homelessness obtain and maintain housing as well as improve health and connection with the community. Permanent supportive housing models that use a Housing First approach have been proven to be highly effective for ending homelessness, particularly for people experiencing chronic homelessness who have higher service needs. Housing First is a nationally recognized best practice to end homelessness that connects individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety treatment or work requirements. Nashville has followed a housing-first model that incorporates additional supportive services which has resulted in a 12% recidivism rate—meaning 88% of residents remain housed.¹⁴ This approach provides not only housing but also the ongoing resources and support necessary to sustain it. This model relies on supply of homes that are both available to those with little or no income and paired with ongoing voluntary supportive services. These components are what define PSH as compared to a shelter or transitional housing.

PSH can take many forms. The two most common are "100% PSH" developments where the building is entirely comprised of PSH homes and "integrated" or "scattered site," where a portion of homes in an affordable, market-rate, or mixed-income building are designated as PSH and reserved for those transitioning out of homelessness. Most jurisdictions rely on a combination of these methods, depending on the capacity of service providers in the area. Full PSH buildings require a strong operator to coordinate services and manage the building effectively. In scattered site developments, it is often the public sector that is responsible for service coordination, as the buildings are not managed by PSH operators.

While there have been recent efforts to increase PSH, including the opening of the Strobel House and the Affordable Housing Gap Financing program, PSH development in Nashville has been relatively minimal and well short of the overall need. Across Nashville, several transitional housing organizations exist to support the unhoused community, but they are small in scale and do not provide permanent housing. Further, outside of federal Continuum of Care funds deployed locally, the main source of funding currently allocated to address

¹⁴ Data is sourced from the local Homeless Management Information Systems (HMIS) Database for which OHS serves as the lead entity.

homelessness in Nashville, including building new PSH and providing services to existing PSH developments, is American Rescue Plan Act (ARPA) funding, which will expire in 2026. To better support individuals transitioning out of homelessness, Metro should develop a Permanent Supportive Housing strategic plan that establishes the necessary framework for expanding capacity to produce 900 units of PSH annually – aligning with the current estimated need. Please note, the estimated need is dependent on multiple factors and is subject to change. The PSH strategic plan should build off the vision, mission, and values of the Homelessness Planning Council Strategic Plan but be a standalone document that provides specific, detailed actions needed to advance the development of PSH and sustain its operations. The plan shall include, but is not limited to, the following components: quantifying the need for PSH to be updated annually, identifying target populations, organizing key partners, determining funding and capacity requirements, and establishing referral processes and procedures through Coordinated Entry. The plan could provide additional value by identifying the number of residents that need access to an affordable, long-term skilled care facility which should be differentiated from residents needing PSH.

Coordinated Entry (CE) is a process developed to ensure that all people experiencing a housing crisis have access to resources and are identified, assessed, and referred and/or connected to housing assistance based on prioritization and resource availability.

To mobilize the development and success of a PSH strategic plan, Metro should take the following action:

Action 29a: Designate a lead agency to develop and implement a PSH strategic plan for Nashville

The Mayor's Office should designate one of the existing Metro departments or divisions to serve as the lead agency to develop a Permanent Supportive Housing (PSH) strategic plan for Nashville. A lead agency for the development of a PSH strategy is necessary to manage the work and coordinate efforts, including any technical assistance contracts that may be issued, and track milestones and deliverables. However, this does not mean the lead agency performs this role in a vacuum.

The PSH strategic plan should be informed by a working group with representation from key actors including OHS, the Housing Division, MDHA, Metro Social Services, persons with lived experience, developers, and service providers. The lead agency for developing the PSH strategy should engage an advisory services firm to support the working group and provide technical assistance to quantify the PSH need and identify strategies and actionable funding streams.

The PSH strategy should identify key stakeholders, outline their responsibilities in advancing the strategy, and establish accountability measures. Since there are multiple public agencies with significant roles (i.e., OHS, Housing Division, MSS, MDHA) and numerous private partners, Metro should designate a lead in agency or office to oversee implementation or at least formalize an implementation plan through an MOU among partners.

Action 29b: Continue advocating for state PSH set-aside in Low-Income Housing Tax Credit Qualified Allocation Plan

As discussed under Strategy A, the Low-Income Housing Tax Credit (LIHTC) program, which is administered by the Tennessee Housing Development Agency (THDA), is a critical resource for developing affordable housing. Furthermore, LIHTC can be an important funding source to advance PSH which requires funding for supportive services and operations to ensure high-quality, integrated services. Often, PSH projects include homes for households earning at or below 30% of the Area Median Income (AMI) which requires substantial subsidy to be financially feasible. While the Federal LIHTC program has not undergone significant changes, states have the flexibility to advance housing priorities through their Qualified Allocation Plans (QAP), the policy document that outlines how a jurisdiction plans to distribute LIHTC. Each year, state leaders can prioritize the development of supportive housing within their QAP. One way to encourage this is by setting aside a portion of the LIHTC allocation specifically for supportive housing.

In response to a state-wide grassroots effort advocating for supportive housing, THDA took a significant step by incorporating a PSH set-aside for the first time in its 2024 QAP. This marks a meaningful commitment to address homelessness through affordable housing initiatives. Notably, the QAP is updated annually and is subject to change. Each year, however, a draft of the proposed changes is made publicly available, and members of the public are invited to comment. Metro Nashville should continue to work with other stakeholders and jurisdictions across the state to advocate for the PSH set-aside in the LIHTC and encourage the development community to take advantage of this resource.