



NATIONAL CENTER FOR
**HOUSING
HEALTH**



Opioid Settlement Funds and Supportive Housing

May 2026



More about Opioid Settlement Funds (OSF)

- [State Opioid Settlement Spending Decisions - NASHP](#)
- [Guides for Community Advocates on the Opioid Settlements](#)

Many successful lawsuits against the distributors of pharmaceutical opioids have resulted in tens of billions of dollars in settlement funds for states and localities to address the opioid crisis. Early lawsuits produced an [Approved Usages Guide](#), which states consult as they establish their processes for allocating these funds. The guide [outlines](#) a range of permissible investments, including dedicating funds to supportive housing.

Within locally established parameters, states and localities make decisions about how to use the funds to meet their communities' needs. Among the approved uses is the development of housing, including supportive housing, for individuals with opioid use disorder (OUD) and families impacted by OUD.



[According to a survey](#) conducted between 2022 to 2023 on the use of opioid settlement funds across all 50 states, approximately 14% of funds had been allotted for recovery services, including housing, among other uses. Safe, stable housing plays a critical role in recovery from substance use disorder (SUD), including OUD, but most communities face significant shortages of affordable housing, and people with SUD often encounter additional barriers to accessing and sustaining housing.

There is no “one-size-fits-all” housing solution for people with SUD; instead, communities need a range of housing and service options to meet a variety of needs. Supportive housing, which combines affordable housing with services, is one option that has [been proven to be particularly helpful](#) for people experiencing homelessness and/or institutionalization, who are also dealing with SUD, co-occurring mental health conditions, and other complex challenges.

The following are examples of how opioid settlement funds have been used to create or expand supportive housing initiatives.



STATE EXAMPLES

Connecticut

In Connecticut, the Opioid Settlement Advisory Committee makes the majority of decisions regarding the allocation of settlement funds. As of early 2025, approximately \$89 million—or 16%—of the more than \$551 million expected had been allocated.

[The largest disbursement](#) to date has been awarded to a joint project of the Connecticut Department of Housing and the Department of Mental Health and Addiction Services. A total of \$58.6 million (approximately \$14.25 million per year) has been allocated for supportive housing that will serve 500 individuals with OUD or substance use disorder (SUD) annually.

The [Housing Empowering Recovery Opportunities \(HERO\) program](#), which launched in August 2025, is being implemented by eight nonprofit organizations across the state and [evaluated by the University of Connecticut's School of Social Work](#). The program funds rental subsidies, comprehensive case management, employment support, peer mentorship, and access to behavioral health and medical care.



STATE EXAMPLES

Illinois

In Illinois, 55% of the expected \$1.32 billion in opioid settlement funds are allocated to the Illinois Opioid Remediation Trust Fund, which is guided by the Governor's Opioid Overdose Prevention and Recovery Steering Committee. The Illinois Opioid Remediation Advisory Board makes recommendations to the steering committee, with final decisions administered by the Department of Human Services.

Any funds not fully allocated by the Advisory Board in a given year can be put in a reserve to support special one-time costs. Through this mechanism, the Advisory Board recommended a [one-time \\$20 million award to support capital investment](#), identifying capital funding as a priority need. In response, opioid settlement funds were incorporated into the Illinois Housing Development Authority's (IHDA) [supportive housing development program](#). This program combines state dollars, Housing Trust Fund resources, and other funding into a streamlined annual application process.

Projects can receive the lesser of [\\$10 million or 90% of the total project cost](#) to create supportive housing for individuals with OUD and SUD who are experiencing homelessness in communities impacted by the opioid crisis.



STATE EXAMPLES Massachusetts

In Massachusetts, where nearly \$975 million in opioid settlement funds is expected, 60% of allocation decisions are made by the state's Executive Office of Health and Human Services, advised by the Opioid Recovery and Remediation Fund Advisory Council (ORRF). [One of the council's current key priorities](#) is the expansion of low-threshold housing.

Between 2022 and 2023, ORRF helped to [expand statewide capacity](#) of 14 supportive housing providers, resulting in 382 new contracted units, with 300 units occupied as of December 2023. In fiscal year 2024, ORRF committed \$6.65 million, with an additional \$8 million in FY25, to further expand low-barrier housing options. These investments provided shelter to 585 individuals in low-threshold sites, with 200 individuals moving on to permanent housing through a navigation program or through reunification with friends or family.



STATE EXAMPLES New Jersey

Approximately \$1.18 billion in opioid settlement funds has been awarded to the state of New Jersey. [The Department of Human Services guides decision-making](#) for half of all incoming funds with input from the Opioid Recovery and Remediation Advisory Council. The remaining 50% of funds are allocated directly to local governments.

In response to the high prevalence of families with substance use disorder (SUD) in cases under review by the child welfare system, settlement funds are being leveraged to expand New Jersey's successful [Keeping Families Together \(KFT\) program](#). Launched in 2014, KFT has provided supportive housing to more than 840 child welfare-involved families.

With an allocation of \$4.86 million annually for three years, the program is expecting to help offset rising costs for current participants and expand the program to serve an additional 30-35 families. The expanded program will [continue to provide access](#) to stable housing, case management, and connections to community-based services.



STATE EXAMPLES Pennsylvania

In Pennsylvania, [more than \\$2 billion](#) in anticipated opioid settlement funds are allocated to local governments (85%) and the Commonwealth (15%). While counties and localities have autonomous decision-making processes, they must follow the approved uses of funds as indicated by the [Pennsylvania Opioid Misuse and Addiction Abatement Trust](#).

In 2023, the City of Philadelphia unveiled a [strategic plan](#) to invest \$7.5 million in settlement funds to address opioid-related impacts on the Kensington community. The funds were slated for investments across multiple sectors, including housing and foreclosure prevention. Housing assistance programs were also extended to support residents grappling with eviction and foreclosure threats.

As of December 2024, Philadelphia's Office of Homeless Services had received the largest allocation of opioid settlement funds, at \$5.8 million, to address homelessness for individuals with substance use disorders through low-barrier, tenant-based housing. The program serves 400 individuals and couples, providing access to housing and wraparound support services to support paths toward long-term recovery.



Further Investment

Additional states have named supportive housing as a priority for future opioid settlement fund investments, including:

- [Michigan](#)
- [New Mexico](#)
- [Rhode Island](#)
- [Utah](#)
- [Washington](#)

For More Information

For jurisdictions interested in pursuing the use of opioid settlement funds for supportive housing, a key first step is to understand how funding decisions are made at the [state and/or local level](#). CSH can also help localities or states interested in prioritizing supportive housing units and services necessary to support long-term stability and recovery.

About Us



CSH (Corporation for Supportive Housing) advances affordable and accessible 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. Learn more at www.csh.org.



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