

HOUSING FIRST

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Homelessness is a crisis that demands urgent action. To end homelessness once and for all, federal, state, and local governments must invest in proven solutions at the scale necessary to address the problem. Housing First—an approach that pairs rental assistance with individualized health and social services—is an evidence-based approach backed by multiple, national studies showing it is the most effective approach to ending homelessness for most individuals and families. Under the Housing First model, stable, affordable, and accessible housing is provided to people experiencing homelessness quickly and without prerequisites, and voluntary supportive services are offered to help improve housing stability and well-being when needed for the long term.

About Housing First

Housing First is not a program—it is a whole systems approach to housing and service provision, which should be applied across all components of the homelessness response system. Housing First prioritizes access to permanent, stable housing with services when needed and wanted.

Housing First is not “housing only.” To be effective, both housing and supportive services that meet the needs and choices of the people being served must be available. Housing First recognizes that stable housing is a prerequisite for effective psychiatric and substance abuse treatment, for stable employment, and for improving quality of life. Once stably housed, individuals are better able to take advantage of wrap-around services that help support stability, employment, and recovery—goals that are difficult to attain without stable housing. Housing First uses a trauma-informed approach to meet people where they are, without imposing preconditions or requirements. The approach involves continuously engaging individuals and responding to what they say they need.

Housing First is a flexible model that can be adapted to address the unique needs in local communities and tailored to the challenges facing individuals. Rapid re-housing (RRH) and permanent supportive housing (PSH) can both utilize the Housing First model. In RRH, individuals and families experiencing homelessness receive assistance identifying, leasing, and moving into new housing quickly and are connected to supportive services if needed. Similarly, PSH provides longer-term housing assistance and voluntary supportive services, including health care, employment, and treatment services, to ensure people experiencing chronic homelessness can attain long-term housing stability.

EVIDENCE SUPPORTING HOUSING FIRST

Housing First rapidly ends homelessness, is cost-effective, and improves quality of life and community functioning. Housing First is the most effective approach to ending homelessness for most individuals and families, particularly for people experiencing chronic homelessness, [people with substance use disorders \(https://tr.ee/Zk1L01\)](https://tr.ee/Zk1L01), and people with disabilities, including [individuals with mental health conditions \(https://tr.ee/HlaVgU\)](https://tr.ee/HlaVgU). This model was first developed for people with serious psychiatric or substance use disorders who had been homeless for long periods of time and was later extended to all homeless populations. Housing First has been credited with helping reduce chronic homelessness by 20% since 2007.

Housing First is supported by the U.S. Department of Veterans Affairs (VA) in its two largest homelessness programs—Supportive Services for Veteran Families (SSVF) and HUD-Veterans Affairs Supportive Housing (HUD-VASH). These programs, which are considered the gold standard for homelessness programs both domestically and abroad, have been instrumental in reducing veteran homelessness by 55% since 2010. Nationally, the number of veterans experiencing homelessness decreased by 11.7% since 2020 and by 7.5% between 2023 and 2024, dropping to its [lowest level on record \(https://tr.ee/A02jQl\)](https://tr.ee/A02jQl) since the

annual Point-in-Time started counting this data in 2009. This drop in veteran homelessness coincides with the return of Housing First practices under the Biden administration and historic resources provided through the American Rescue Plan.

Housing First programs are twice as effective at ending homelessness, compared to the older, outdated “stairstep” or “linear” approach that Housing First has replaced. The earlier model risked lives and increased costs to communities. The “stairstep” approach set housing as the end goal—requiring participants to first participate in various service programs, abstain from drugs and alcohol, and adhere to a set of behavioral requirements before they could access housing. Far too many people experiencing homelessness were unable to meet the high barriers to set by “stairstep” programs, leaving them to languish in shelters for long periods of time with no clear path to exit homelessness. Because shelters are far more expensive than providing individuals with housing, the “stairstep” approach drove up costs for communities. Communities spent more on emergency health care, corrections, and law enforcement.

Key to the success of Housing First is its emphasis on low-barrier access to permanent, stable housing with supportive services when needed and wanted. Access to Housing First programs is not contingent upon minimum income requirements, sobriety, criminal history, successful completion of a treatment program, or participation in supportive services; rather, Housing First recognizes that stable, supportive, accessible housing is fundamental to being able to effectively utilize wrap-around services. The model eschews a “one-size-fits-all” approach to addressing homelessness and instead pairs people and families with the level of financial assistance and supportive services necessary to achieve long-term housing stability.

Several major studies have found that Housing First resulted in large improvements in housing stability. [Early evaluations \(https://tr.ee/HLhfbt\)](https://tr.ee/HLhfbt) found that homelessness programs that eliminated barriers to service, like Housing First, were more successful in reducing homelessness than programs where housing and services were contingent on sobriety and progress in treatment. The world’s [largest study \(https://tr.ee/1typUt\)](https://tr.ee/1typUt) on Housing First found that individuals

participating in Housing First programs rapidly obtained housing and retained their housing at a much higher rate than non-Housing First participants. A [systematic review \(https://tr.ee/XNfQhi\)](https://tr.ee/XNfQhi) of 26 studies found that Housing First programs decrease homelessness, increase housing stability, and improve quality of life for people experiencing homelessness.

In addition to greater housing retention, Housing First can lead to better treatment outcomes and improved quality of life and other outcomes. Multiple studies have shown that participation in supportive housing [improves residents’ mental health \(https://tr.ee/pJcxG1\)](https://tr.ee/pJcxG1) and their engagement in mental health treatment. Recent studies indicate that Housing First participants are more likely to report improved overall health and reduced usage of [alcohol \(https://tr.ee/HyS2bZ\)](https://tr.ee/HyS2bZ), [stimulants, and opiates \(https://tr.ee/RUuStx\)](https://tr.ee/RUuStx). Furthermore, Housing First programs are [more effective \(https://tr.ee/6BlScg\)](https://tr.ee/6BlScg) at increasing utilization of home- and community-based services and increasing outreach to and engagement of clients not appropriately served by the public mental health system. Housing First provides a vital option to the many people who are not able to maintain perfect treatment immediately after exiting homelessness and ensures they will not be relegated to long-term homelessness.

The Housing First model [reduces \(https://tr.ee/JSuvAS\)](https://tr.ee/JSuvAS) unnecessary and preventable costs associated with homelessness. Studies consistently show that Housing First [reduces \(https://tr.ee/ON2hrP\)](https://tr.ee/ON2hrP) [use \(https://tr.ee/P1VEGC\)](https://tr.ee/P1VEGC) of more costly resources, such as shelters, inpatient psychiatric hospitals, emergency rooms, and jails and prisons. Supportive housing, for example, [effectively ends \(https://tr.ee/TZttoi\)](https://tr.ee/TZttoi) homelessness for people with mental health disabilities, and [reduces health care costs \(https://tr.ee/HUy418\)](https://tr.ee/HUy418) for high-need, high-cost users of health care systems. The average cost savings to the public ranges from [\\$900 to \\$29,400 \(https://tr.ee/WR3mgR\)](https://tr.ee/WR3mgR) per person per year after entry into a Housing First program. Overall public spending is reduced by nearly as much as is spent on housing. A [systematic review \(https://tr.ee/YW4pii\)](https://tr.ee/YW4pii) found that the economic benefits exceed the intervention cost for programs that utilize a Housing First approach in the U.S., with societal cost savings of \$1.44 for every dollar invested.

Despite the clear benefits of Housing First, Congress has not funded long-term solutions at the scale necessary. To address homelessness, Congress should expand rental assistance to all eligible households, build and preserve homes affordable to people with the lowest incomes, and expand voluntary supportive services. Without this investment, more people are pushed into homelessness every day.

EFFORTS TO DISMANTLE HOUSING FIRST UNDER THE TRUMP ADMINISTRATION

Housing First has been proven successful and has a long history of bipartisan support. Under past administrations, HUD and the U.S. Interagency Council on Homelessness (USICH) have endorsed Housing First as a best practice to ending homelessness, and the model has enjoyed bipartisan support from congressional leaders. First incorporated into federal recommendations under the George W. Bush administration, Housing First was credited with reducing homelessness by 30% between 2005 and 2007. During the Great Recession, implementation of RRH under the Obama administration helped an estimated 700,000 people at-risk of or experiencing homelessness find stable housing.

Rather than building on these successes, during its tenure, the first Trump administration sought to replace Housing First models with programs that would deny people and families experiencing homelessness stable housing if they were unable to maintain treatment or attain perfect sobriety. This shift in policy not only ignored decades of research, learning, and bipartisan support attesting to the validity of Housing First but failed to address the underlying, systemic causes of homelessness and housing instability. The Trump administration focused instead on returning to failed “behavioral modification” strategies and supported its arguments through false claims about Housing First that relied on manipulated data and misrepresented research.

The second Trump administration has escalated its attacks on Housing First. The administration released in November 2025 the Fiscal Year (FY) 2025 Continuum of Care (CoC) [Notice of Funding Opportunity](https://www.grants.gov/search-results-detail/360861) (NOFO) ([grants.gov/search-results-detail/360861](https://www.grants.gov/search-results-detail/360861)) that makes drastic, harmful changes to how the federal government

funds homelessness assistance programs. The new policy outlined in the NOFO slashes support for permanent housing programs by more than half, putting as many as 170,000 people who rely on CoC assistance for stable, affordable housing at risk of returning to homelessness.

The CoC program is the largest source of federal funding for homelessness assistance. CoC funds serve over 750,000 people experiencing homelessness each year, including older adults, people with disabilities, veterans, and families with children.

The NOFO was released very late in the CoC funding cycle, which the National Alliance to End Homelessness (The Alliance) [warns](https://tr.ee/m3SGxW) (<https://tr.ee/m3SGxW>) will cause significant funding gaps and delays. Approximately one-third of the current CoC funding awards expire between January 2025 and June 2025; even if the funding contracts are ultimately selected for renewal, these programs will run out of money before they receive new funding, resulting in unpaid rental assistance, a significant decrease in services, and more people experiencing homelessness.

The NOFO makes significant changes to which projects receive funding and how much communities can spend on permanent housing. Currently, approximately 87% of CoC funds are allocated to permanent housing, including permanent supportive housing and rapid rehousing, [proven solutions](https://tr.ee/3lkqYl) (<https://tr.ee/3lkqYl>) to homelessness that pair housing with voluntary supportive services to help individuals find and maintain a safe, stable home. The NOFO limits how much CoC funding communities can spend on permanent housing to 30%, which The Alliance [warns](https://tr.ee/wse88b) (<https://tr.ee/wse88b>) will force communities to make major changes to the programs they offer, including shifting funding from PSH and RRH programs to high-barrier transitional housing, emergency shelter, and street outreach, which are less effective at addressing and ending homelessness.

The Trump administration’s NOFO changes CoC funding to prioritize competitive “Tier 2” projects over protected “Tier 1” projects. Tier 1 projects, protected by HUD to ensure the continued operation of CoCs’ most important programs, received 90% of funding in

the previous year's NOFO. The new NOFO reduces Tier 1 funding to just 30% and increases funding for Tier 2 projects from 10% to 70%. Funding for Tier 2 projects are awarded on a competitive basis.

The Trump administration also changed the NOFO's scoring criteria to prioritize funding for CoCs and organizations that align with President Trump's Executive Order (EO), "Ending Crime and Disorder on America's Streets." NLIHC previously [condemned the EO \(https://tr.ee/LrVvxx\)](https://tr.ee/LrVvxx), which calls for harmful and ineffective policies and practices for addressing homelessness, including mandated services, work requirements, and camping bans. Applicants for either Tier 1 or Tier 2 project funding can be rejected if they currently use or previously used "racial preferences," utilized harm reduction measures like safe injection sites, or defined "sex" as "other than binary." Projects serving youth experiencing homelessness, who are more likely to identify as trans or non-binary, may be especially impacted by this provision. In addition, projects that require individuals to participate in services, that are in places with laws that arrest, ticket, or fine people experiencing homelessness, or that "promote self-sufficiency" through policies like work reporting requirements will be prioritized for funding under the new NOFO.

The NOFO also threatens billions of dollars in public and private investments in permanent housing and services. CoCs work with developers to support the construction and operating costs of deeply affordable, accessible housing and supportive services for people who formerly experienced homelessness. Failing to renew CoC grants will discourage developers from pursuing affordable housing projects that depend on consistent federal funding. The NOFO's new restrictions on how CoC funds can be used—including funding that has already been allocated and committed to projects—will jeopardize current and future affordable housing investments and strain affordable housing pipelines. Moreover, funding uncertainty will make landlords less likely to partner with CoC-funded organizations to rent housing units, making it more difficult for people to exit homelessness. Learn more about how states and communities will be impacted by the CoC changes through The Alliance's interactive resource <https://tr.ee/RMV7Vh> here (<https://tr.ee/Vnjx59>).

Despite successful efforts to house individuals experiencing homelessness using the Housing First approach, particularly among veterans, homeless systems cannot keep up with the increased inflow due to inadequate funding by Congress. Amid the intensifying affordable housing and homelessness crisis, the Trump administration's changes to the CoC NOFO will quickly upend homelessness response systems throughout the country and increase homelessness. These drastic changes to the CoC NOFO reject decades of evidence finding that permanent housing paired with supportive services is the most effective approach to ending long-term homelessness.

THE "HOUSING PLUS ACT" WOULD UNDERMINE HOUSING FIRST

Representative Andy Barr (R-KY) introduced legislation in the last several Congresses, most recently in the 119th Congress that would undermine federal investments in proven solutions to homelessness. The "Housing Promotes Livelihood and Ultimate Success (PLUS) Act" (H.R.5618) would undermine HUD's ability to prioritize evidence-based solutions to homelessness by directing HUD to set aside 50% of federal homeless assistance funds for programs that require sobriety, treatment, and/or other supportive services as a precondition to housing assistance for people experiencing homelessness. The bill creates a rigid, arbitrary requirement to fund high-barrier programs, regardless of evidence showing this approach tends to be more expensive and less effective. Such a requirement could force CoCs to defund existing permanent supportive housing programs. Any attempt to divert limited federal resources to outdated, ineffective, and costly strategies will result in fewer people becoming stably housed and undermine access to effective treatment.

Forecast for 2026

The Trump administration's EO and changes to the CoC program signal a fundamental shift in federal homelessness policy away from effective, humane approaches and toward wasteful cruelty and criminalization.

The CoC NOFO changes will result in the loss of housing assistance and supportive services for more

than 170,000 people, many of whom have disabilities and complex health needs. These actions also threaten to distract from real solutions to the affordable housing and homelessness crisis: long-term, large-scale investments in the programs and policies that help people find and maintain safe, affordable, accessible housing.

Advocates and allies in Congress must be unified in pushing back against counterproductive and dehumanizing efforts to criminalize homelessness, impose punitive requirements, and end federal support for proven approaches, including Housing First. Advocates should continue to oppose any cruel or harmful measures that would exacerbate racial, social, and gender inequities and worsen the housing and homelessness crisis.

To end homelessness and housing poverty, the administration and Congress must ensure rental assistance is universally available to all eligible households, expand the supply of affordable, accessible, and available housing for people with the lowest incomes, and ensure critical services are available and accessible.

What to Say to Legislators

Advocates can use NLIHC's [Housing First resources](https://tr.ee/96nCAg) (<https://tr.ee/96nCAg>) to educate their members of Congress about why pairing permanent housing with voluntary supportive services is a critical strategy for ending homelessness and urge them to proactively support the model. Having a safe, stable, affordable place to live and the right supports can lead to positive outcomes beyond those provided by services alone. Over two decades of research prove that housing stability, quality of life, and community functioning are consistently higher among participants in Housing First programs.

Advocates should urge their members of Congress to oppose the "Housing PLUS Act" and any legislation or amendments that would undermine federal investments in proven solutions to homelessness. Advocates should also urge lawmakers to oppose measures seeking to criminalize homelessness and impose rigid requirements, like time limits, work requirements, forced

treatment, and sobriety. Moving away from evidence-based approaches to addressing homelessness would deny individuals and families in need of safe, decent, affordable and accessible homes. Requiring treatment or sobriety as a prerequisite to receiving stable housing does not solve homelessness—rather, it can make solving homelessness more difficult by demanding people overcome the challenges of substance abuse or mental illness without the stability and safety of a home. "Treatment first" ignores the systemic issues that allow people to live unhoused and ensures there will always be people who are homeless.

Congress and the administration should work together to increase investments in decent, safe, affordable, and accessible rental homes for people with the lowest incomes; work to actively undo the generations of racist policies that have disproportionately exposed Black and Native people to housing instability and homelessness; and continue to pursue Housing First as a proven solution to homelessness.

For More Information

NLIHC's Housing First webpage: <https://tr.ee/96nCAg>

Learn more about the FY2025 CoC Program NOFO at: <https://tr.ee/cl9DCL>

Learn more about how states and communities will be impacted by the CoC changes through The Alliance's interactive resource [here](https://tr.ee/s1jzfD) (<https://tr.ee/s1jzfD>)