
Reevaluating “Housing First” in a Changing Policy

Landscape

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For nearly two decades, the Housing First model has shaped U.S. homelessness policy around one core principle: provide immediate housing (without preconditions), and then offer supportive services (USICH n.d.a). Originating with Pathways to Housing in the 1990s and later adopted by the Department of Housing and Urban Development, the Housing First model was first developed in New York City in 1992 by Sam Tsemberis as an alternative to traditional treatment-first approaches (Pathways Housing First n.d.; Tsemberis 2010).

The premise is both moral and practical: evidence shows that families receiving long-term housing subsidies experience substantially greater stability and fewer shelter stays than those receiving traditional interventions (HUD 2016). When people remain unhoused, public systems absorb significant social costs, including frequent emergency room use prolonged shelter stays, and short-term jail bookings for low-level offenses, which research shows are common among people without stable housing and are reduced when supportive housing is provided (USICH n.d.b; Urban Institute n.d.a). Housing First reduces (HUD 2023) these downstream costs by stabilizing individuals in permanent housing, making routine health care and voluntary services more accessible—and crises less frequent. For example, evaluations of Housing First programs have found that people placed into supportive housing had fewer emergency room visits, fewer shelter stays, and reduced interactions with police and the criminal justice system compared with those receiving traditional services (Urban Institute n.d.a).

However, Housing First programs have been heavily dependent on sustained federal investment and coordination, suggesting that the Trump administration's plan to disinvest from the model marks a turning point (Thrush 2025). It argues that Housing First fails to address behavioral health and accountability, proposing instead to shift resources back toward more conditional models. For example, HUD's proposed Continuum of Care funding changes would cut the share of funds available for permanent supportive housing from roughly 90% to as low as 30%, redirecting money toward temporary shelter and transitional housing tied to work or service requirements—a departure from longstanding Housing First priorities emphasizing unconditional access to permanent housing without preconditions (HUD n.d.a; Goldstein 2025). This change raises a critical policy question: what happens when a system built on federal leadership must rely primarily on state and local governments?

Challenges Under State and Local Funding

Without robust federal support, the Housing First infrastructure risks fragmentation. Since the mid-2000s, the Housing First model has relied on robust federal coordination through both grant-making and inter-agency partnerships and technical assistance. Grant programs like the Continuum of Care require jurisdictions to meet certain requirements, which shape how local systems organize, target resources, and maintain fidelity to federal priorities; because most jurisdictions receive CoC funds, this effectively coordinates approaches across states and municipalities (HUD n.d.b). HUD has worked with Health and Human Services (HHS) through the Housing and Services Resource Center to help states build cross-sector housing–health collaborations, and it provides direct technical assistance and guidance to Continuums of Care (Administration for Community Living n.d.; GAO 2024). Through the U.S. Interagency Council on Homelessness, HUD also partners with federal agencies such as HHS, Veterans Affairs, Substance Abuse and Mental Health Services Administration, and the Department of Justice to align housing, behavioral health, and social service systems (USICH 2019). These forms of federal oversight help maintain model fidelity across jurisdictions and ensure that local providers have the capacity to pair housing with the supportive services needed to sustain long-term stability.

As funding devolves to states and municipalities, disparities may deepen. Wealthier states such as California and Massachusetts may sustain robust programs, while lower-income or politically resistant regions may struggle to fill federal gaps (NAEH n.d.a). The result could be an uneven geography of homelessness response—where housing access depends on one's proximity and access to support.

Fiscal pressures further complicate local implementation. Permanent supportive housing remains costly to develop and maintain, especially in high-rent markets (HUD n.d.c). Without federal backing, local governments may face trade-offs between preserving existing units and expanding services to meet new demand. Smaller municipalities lack administrative capacity and will likely struggle to coordinate housing with mental health and social services—fragmenting care and weakening outcomes.

Perhaps most concerning, reduced federal support threatens the evidence base that has sustained bipartisan trust in Housing First (USICH n.d.c). If programs falter under fiscal strain, critics may misinterpret declines in housing stability as evidence that the model itself has failed—even though research shows these setbacks typically reflect underfunding and weakened implementation confidence, not flaws in Housing First. For example, USICH notes that limited resources can undermine confidence in Housing First and weaken outcomes, and evaluations like Boulder County’s system assessment show that insufficient funding and misaligned priorities can undermine Housing First principles and degrade results (USICH n.d.d; Boulder County 2025). Left unaddressed, this dynamic risks turning a funding decision into a self-fulfilling policy failure; one in which weakened outcomes are used to justify abandoning a model that remains effective when properly resourced.

Complementary Strategies in a Shrinking System

Even as national funding wanes, several emerging strategies can help preserve the core principles of Housing First. One approach is to scale its philosophy into rapid-rehousing and flexible funding programs, which provide short-term rental assistance and lighter services such as time-limited case management, housing navigation, and connections to community resources (Urban Institute n.d.b; HUD n.d.d). Randomized evaluations show that Housing First programs achieve substantially higher housing retention rates than treatment-first or transitional housing models (Tsemberis, Gulcur, and Nakae 2004). While these models are less effective at helping people out of chronic homelessness, they offer immediate and necessary assistance to families and individuals with lower service needs (HUD 2016).

Integrating employment and housing support efforts offer another path forward. States such as Washington and Minnesota have paired housing subsidies with job training and placement services, showing promising results in income stability and reduced returns to homelessness (NAEH n.d.b; DOL n.d.). By connecting housing with workforce participation, these hybrid programs can

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make limited funds stretch further while supporting long-term independence for people experiencing homelessness. For example, Denver’s Ready to Work model combines paid transitional employment with housing and supportive services (Urban Institute n.d.c). Evaluations show that participants achieve higher employment rates, increased earnings, and greater housing stability than comparable individuals outside the program.

Behavioral health integration aligns with Housing First principles by making treatment available without conditioning housing on participation, allowing residents to access care without risking displacement. Cities such as Houston and Denver have begun to embed clinicians and caseworkers directly within supportive housing teams, ensuring that residents can access treatment without losing stability (USICH n.d.e). This approach aligns with the Housing First ethos—addressing complex needs through voluntary, accessible services rather than preconditions. Making these services more accessible, particularly through co-located clinicians, mobile treatment teams, and Medicaid-funded behavioral health supports, helps stabilize tenancies by reducing psychiatric crises, substance-related hospitalizations, and service disengagement (Urban Institute 2025).

Finally, prevention strategies like eviction diversion programs, guaranteed income pilots, and rental assistance guarantees target the root causes of homelessness (NCSC n.d.; UCSF n.d.; CBPP n.d.). Evidence from the Stockton Economic Empowerment Demonstration shows that unconditional cash transfers reduce housing instability and emergency-system use, proving that small, predictable resources can prevent crises before they escalate (SEED n.d.). As homelessness systems face tightening budgets, such upstream investments become essential: the most cost-effective interventions are those that prevent someone from losing their home in the first place (NLC 2025).

Adapting the Foundation

The evidence remains clear: Housing First delivers unparalleled housing stability for chronically homeless individuals (HUD 2024). But as federal support recedes, policymakers must adapt the model rather than abandon it. Sustaining its principles—immediate access to housing and voluntary, person-centered services—will depend on local innovation, interagency collaboration, and stronger integration with employment, behavioral health, and prevention systems.

Even in a period of disinvestment, Housing First’s core insight endures: stability

is the foundation for recovery, and housing should remain the beginning, not the end, of that process.

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