

Policy & Practice

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Addressing Homelessness through Housing First

Homelessness is a growing problem in the United States. According to [the most recent data from HUD's annual Point-in-Time \(PIT\) count](#), the estimated number of people experiencing homelessness increased by 12 percent between 2022 and 2023 to 653,104 individuals—the highest figure recorded since reporting began in 2007. Of these individuals, 6 in 10 people were experiencing sheltered homelessness, whereas the remaining 4 in 10 were experiencing unsheltered homelessness in places not meant for human habitation.* On a single night in January 2023, nearly 2 in every 1,000 people in the United States experienced sheltered or unsheltered homelessness.

[The Housing First model](#) presents an evidence-based alternative to strategies that criminalize people experiencing homelessness, such as encampment bans and sweeps, or strategies that mandate some sort of treatment or participation in services. Beginning with the *Pathways to Housing* program in New York City in the early 1990s and subsequent decades of research and experience, the Housing First model represents a paradigm shift in homelessness response that prioritizes the provision of permanent housing for individuals experiencing homelessness without mandatory, rigid commitments to mental health treatment or sobriety.

Housing First is a flexible and adaptable service model that addresses homelessness by quickly placing

individuals and families with children experiencing homelessness into housing without any preconditions or barriers. Housing First also offers voluntary supportive services to meet individuals' needs.¹ It is important to note that Housing First is not “housing only”; programs that conform to the model often involve providing permanent supportive housing or rapid rehousing in tandem with supportive services.

Simply implementing the Housing First model within the context of existing housing programs and certain housing markets may not be sufficient for some communities. For example, housing markets characterized as high-cost and/or supply constrained will likely require additional programs to increase local housing supply and accommodate the diverse needs of different tenants. Housing First should be viewed as a best practice for operating housing assistance programs and a critical step to be taken along with increasing resources to support both people experiencing homelessness in particular and expanding the amount of affordable housing available in general.

This issue of *Policy & Practice* reviews the evidence on the Housing First model and showcases select local Housing First-based solutions effectively implemented by cities across the country.

* “Unsheltered homelessness” refers to people whose primary nighttime location is a public or private place not designated for or ordinarily used as a regular sleeping accommodation for people (for example, the streets, vehicles, or parks). “Sheltered homelessness” refers to people who are staying in emergency shelters, transitional housing programs, or safe havens. For more information see: <https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf>

Research Insights

The research literature has nearly reached consensus that providing permanent housing—without mandating sobriety, treatment, or service participation to demonstrate housing readiness—is [effective in helping people exit homelessness](#) and achieve long-term housing stability.²

Four major randomized controlled trials (RCTs) have tested the effectiveness of Housing First compared to “treatment first” programs, whereby people experiencing homelessness receive treatment or transitional housing before being placed into independent housing. In a meta-analysis of the four RCTs, Tsai (2020) concludes that strong evidence indicates that Housing First led to greater housing stability and quicker exits from homelessness when compared to treatment as usual.³ The study also finds moderate but inconsistent evidence to suggest that Housing First may result in reduced use of emergency department services, fewer hospitalizations, and less time hospitalized when compared to treatment as usual. Similarly, a systematic review conducted by Baxter et al (2019) finds that Housing First resulted in significant improvements in housing stability and may improve some aspects of health.⁴

Evidence indicates that programs aligned with Housing First principles are especially effective at promoting housing stability among people experiencing chronic homelessness. Tsemberis et al (2004) confirm, in an RCT on the *Pathways to Housing* program, the effectiveness of Housing First programs in housing chronically homeless individuals, finding that Housing First program participants experienced significant decreases in homelessness and increases in housing stability relative to the treatment-as-usual group, with no significant differences in either drug or alcohol use.⁵ In a study evaluating outcomes for the chronically homeless based on data from 11 communities, Tsai et al (2010) find that, although participants in both transitional housing and Housing First programs experienced improved psychosocial outcomes over time, participants in the Housing First program were independently housed for longer periods, despite being homeless for longer periods at the study’s baseline.⁶

Some evidence exists to suggest that Housing First programs may limit costs associated with using other public systems relative to treatment-first programs. [Verugheze et al \(2021\)](#) conclude in a cost benefit meta-study that the economic benefits exceed the cost of Housing First programs in the United States. An RCT conducted by Basu et al (2012) shows decreased costs among participants in Housing First programs due to fewer days in hospitals, emergency rooms, residential substance abuse programs, nursing homes, prison, or jail.⁷ Basu et al estimate savings of \$6,307 per homeless adult with a chronic medical condition, with the highest savings—\$9,809 per year—occurring for chronically homeless individuals.⁸ [Larimer et al \(2009\)](#) find a total cost rate reduction of 53 percent for housed Housing First participants relative to waitlist controls over the first 6 months.⁹ [Cohen \(2022\)](#) conducted a cost-benefit analysis using administrative records in Los Angeles, finding that Housing First can result in savings that offset costs to public agencies within 18 months.¹⁰ A systematic literature review of 34 published and unpublished studies concludes that despite mixed evidence on cost savings, “the certainty of [Housing First’s] significant cost offsets, combined with their benefits for participants, means that they represent a more efficient allocation of resources than traditional services.”¹¹

In contrast, research indicates that sweeps and closures—without housing provision and other supports—are not an effective alternative to Housing First programs and can negatively impact people experiencing homelessness. Sweeps have a [wide range of physical and mental health impacts](#), including increased contact with law enforcement, worsened sleep habits and mental health outcomes, increased risk of assault and interpersonal violence, and exposure to weather-related hazards. Darrah-Okike et al (2019) find, through interviews with people with experience living in temporary shelters and in public spaces, that sweeps result in the loss or destruction of property, posing material hardship and obstacles to work, education, and service access.¹² A [survey of healthcare providers](#) suggests that sweeps may have health consequences for those affected through material loss and housing instability, possibly

contributing to less effective management of chronic health conditions, infectious diseases, and substance use disorders. Barocas et al (2023) conducted a simulation model that suggests sweeps may yield substantial increases in morbidity and mortality among people experiencing homelessness who inject drugs.¹³

This strong base of evidence has resulted in firm policy commitments to the Housing First model at the state and local level. In 2016, the California state legislature passed a bill requiring all housing programs to adopt the Housing First model. In 2005, Utah mainstreamed the Housing First approach in a plan to end chronic homelessness. But simply declaring a Housing First strategy is not enough—effective local implementation is critical toward ensuring the model’s success. The remainder of this issue considers the strategies that localities and states are using to make their Housing First programs successful.

Innovative Policies and Practices

Cross-Sector Collaboration is Essential to the Success of Housing First (Houston, Texas, and Charlotte, North Carolina)

Houston has received widespread recognition for its partnership-based efforts to address homelessness. According to the 2011 PIT count, the Houston region had the sixth largest homeless population in the country, with an estimated 8,500 people experiencing homelessness on a given night in January. In 2012, HUD identified Houston as 1 of 10 priority communities for addressing homelessness, a designation that led to the development of a homelessness response system based on the Housing First approach called The Way Home. Houston formed a consortium of partners consisting of service providers, local governments, public housing authorities, and other nonprofits and community stakeholders to develop a system that has been touted for its efficiency and effectiveness, despite its small operating budget.

Since 2012, The Way Home has housed more than 32,000 people in either permanent supportive housing or rapid rehousing units, with an overwhelming majority staying stably housed for 2 years or more.¹⁴ Between 2011 and 2024, the number of people experiencing homelessness in the Houston

region decreased 61 percent.¹⁵ In 2015, Houston became the largest city to effectively end veteran homelessness. Today, The Way Home is characterized by a whole-of-government approach and is made up of more than 100 partners. Houston’s strategy has become a model for cities and localities nationwide, with city officials in Atlanta and New York tapping into Houston’s rich expertise to develop their own collaborative programs.¹⁶

Much like The Way Home, Housing First Charlotte-Mecklenburg (HFCM) was launched in 2015 as a multisector collaboration to help end homelessness. Between 2015 and 2020, HFCM placed more than one thousand people in housing, with about 70 percent of individuals experiencing chronic homelessness remaining in housing after 1 year. To accomplish this, HFCM brought together over 25 diverse community partners and developed a strong infrastructure to support the early success of the program. Critically, the program “did not rely solely on already overextended resources and services,” instead using the strength of their network to facilitate increased investment. Partners raised over \$1 million for the effort, stimulating additional financial and in-kind investment. This program infrastructure, combined with increased funding, enabled HFCM to train service providers, respond effectively to challenges such as increasing housing costs, and scale the Housing First model.

A program evaluation found that, among housed participants and compared to unhoused participants, quality of life scores improved 30 percent, mental illness symptom scores decreased 35 percent, and trauma-related symptoms decreased 26 percent.¹⁷ The provision of housing aligned with the Housing First approach moderated or reduced substance use, reduced risk of arrest and incarceration, and reduced emergency department and public health department visits.

Furthermore, the evaluation finds that reduced use of other community services offset the cost of permanent supportive housing, reducing the average estimated annual cost of permanent supportive housing from \$17,256 to \$12,866. For every \$10 invested in permanent supportive housing, there

was an estimated \$2.54 cost reduction in other community services.

Having a Single Lead Agency Can Improve Coordination (Milwaukee, Wisconsin)

Milwaukee adopted the Housing First approach in 2015. Milwaukee’s approach maintains strong fidelity to Housing First principles and differentiates itself from Houston by having a single agency—the Milwaukee County Department of Health and Human Services—that coordinates stakeholders and administers housing services. The agency works closely with community and government partners, including law enforcement, to help conduct outreach and connect people experiencing homelessness to services, to healthcare providers to coordinate health and housing services, and to a resident advisory council comprised of people with lived experience of homelessness to help develop policy and direct strategy.

According to the Milwaukee County Health and Human Resources, the implementation of a Housing First program saved taxpayers approximately \$3.5 million a year, including annual savings of \$2.1 million in Medicare costs, \$715,000 in mental health costs, and \$600,000 in legal costs.¹⁸

Between 2015 and 2022, Milwaukee experienced an estimated 86-percent reduction in unsheltered homelessness, a 59-percent reduction in chronic homelessness, and a 45-percent reduction in overall homelessness.¹⁹ The 2021 PIT count estimated that there were only 17 people experiencing unsheltered homelessness in Milwaukee County, despite a population of nearly one million—the lowest unsheltered homeless population per capita in the nation. Similarly, Milwaukee County has recorded no families experiencing unsheltered homelessness since 2020.

Easing Barriers to Increase Housing Supply Makes Housing First Work (Atlanta, Georgia, and Houston, Texas)

In addition to the cross-sectoral collaboration described in a previous section, Houston, Texas, also removed certain land use restrictions to ensure that the city’s housing supply would continue to feature affordable options for low-income households. When

more housing units are locally available at deeper levels of affordability, inflows into homelessness decrease, and a greater number of units are open to house individuals experiencing homelessness. Houston has minimal zoning restrictions, with citizens having voted against the imposition of zoning proposals on three different occasions. Furthermore, in 2013, Houston removed minimum lot size requirements throughout most of the city, allowing for the development of new units in areas that would otherwise be zoned exclusively for single-family housing or commercial activity. The result has been the addition of over 80,000 new housing units on small lots made available by the removal of this barrier.²⁰

Other cities in the American South are looking to Houston’s example. In the wake of significant growth over the past several decades, Atlanta has made tackling homelessness and addressing housing affordability a priority in the city’s policy agenda. A distinctive feature of Atlanta’s approach is the emphasis on public-private partnerships, with the city seeing some success leveraging private capital to address homelessness and housing affordability. The city has raised over \$200 million of a target \$300 million in investment from public and private sources to expand affordable housing. In September 2024, Atlanta announced plans for a \$150 million infusion of public and private investment to address homelessness—with \$50 million from a Homeless Opportunity Bond, \$10 million from Atlanta’s Affordable Housing Trust Fund, and an expected \$60 million from other public and private sources. The effort is expected to produce up to 700 deeply affordable housing units, including 500 rapid rehousing units and 200 permanent supportive housing units.

The city first adopted the Housing First approach in 2017, modelling its homelessness response system on Houston’s. Despite a notable spike between 2022 and 2023, the overall number of people experiencing homelessness in Atlanta has declined nearly 20 percent since adopting the Housing First approach in 2017.²¹

Innovative Financing Can Improve Outcomes and Sustainability (Denver, Colorado)

In Denver, local government officials used a unique funding mechanism to invest in an effective Housing First program. In 2016, city and county officials launched the [Denver Supportive Housing Social Impact Bond Initiative](#), aiming to increase housing stability and decrease jail stays among people experiencing chronic homelessness and frequently interacting with the criminal justice and emergency health systems.

The Housing First-based initiative secured funding through a combination of [social impact bonds](#) and public dollars leveraged through Medicaid and housing assistance programs. The city raised \$8.6 million in financing from eight private investors through social impact bonds—innovative financial instruments whereby the city and private investors entered into a performance-based contract to fund supportive housing and rental assistance—with the city agreeing to repay investors if the program was successful.²²

[An RCT of the Denver initiative conducted by the Urban Institute](#) between 2016 and 2020 showed that the provision of supportive housing without prerequisites, such as negative drug tests or lack of a criminal record, improved housing stability and reduced the public costs of the homelessness-jail cycle. Participants in the treatment group experienced reductions of 40 percent in shelter stays, 34 percent in police contacts, 40 percent in arrests, and 27 percent in total jail days, relative to the control group. Similarly, Hanson and Gillespie (2024) demonstrated that the initiative resulted in positive health outcomes for treatment group participants, who on average had eight more office-based visits for psychiatric diagnoses, three more prescription medications, and six fewer emergency department visits than the control group after 2 years. The treatment group was also less likely to be enrolled in Medicaid.²³

In addition to localities like Denver, states are utilizing innovative financing to implement Housing First programs. In 2023, Maine [passed a budget](#) establishing a [statewide Housing First-based program](#) funded by real estate tax revenues. All real estate

transactions—including commercial properties and vacation homes—will contribute toward Housing First programs intended to stem recent increases in homelessness in Maine. In turn, these funds will be directed to an organization called MaineHousing to subsidize the development and construction of new housing units. Once development and construction costs are covered, funds will be used to provide wraparound services to tenants. MaineHousing expects the funding to begin in July 2025 and new units to come online in 2027.²⁴

Connecting to the U.S. Department of Housing and Urban Development’s Efforts

Housing First is a cornerstone of HUD’s homelessness policies and programs, and the Department has incentivized its adoption through funding streams such as the [Continuum of Care program](#). Other federal agencies and the United States Interagency Council on Homelessness (USICH) have also endorsed the model as a best practice for ending homelessness. USICH’s 2022 strategic plan to end homelessness integrates Housing First into multiple components of the overall plan.²⁵ Similarly, the [Joint Strategies to End Veteran Homelessness program](#) developed by the US Department of Veterans’ Affairs (VA), USICH, and HUD explicitly lists the use of an “evidence-based Housing First” approach as one of the pillars of the program.

Although contextual factors matter to program success, including implementation fidelity and local housing market conditions, Housing First has proven to be effective in diverse contexts—with states, cities, localities, and foreign nations alike having tailored the Housing First approach to meet the diverse needs of people experiencing homelessness.

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Authored and Edited by PD&R Staff

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Endnotes

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