



BIDEN'S FAILED HOUSING FIRST POLICY

Instead of eradicating homelessness, “housing first” policy, which makes available government assistance for housing with little to no strings attached, has resulted in higher homelessness rates across America, contributing to enormous social decay in many of our nation’s major cities.

Any federal homelessness assistance must begin with the goal of restoring lives by helping struggling Americans regain self-sufficiency and, if applicable, sobriety. Congress should prioritize policy reforms that address the core problems contributing to homelessness and prohibit federal agencies from discriminating against certain providers, especially faith-based providers, that demand personal responsibility to end homelessness.

BACKGROUND

- **Rising rates of homelessness across America undermines individual flourishing and social cohesion.**
 - The U.S. Department of Housing and Urban Development (HUD) collects data and provides “point-in-time” estimates for the number of homeless people in the U.S. HUD estimates that upwards of 582,486 people experienced homelessness in 2022, with nearly 140,000 people experiencing “chronic homelessness.”¹
 - According to the 2022 HUD Point-in-Time Count, about 60 percent of the homeless population lived in emergency shelters or other temporary housing, and 40 percent were unsheltered, living in cars, streets, or encampments.²
 - The number of individuals experiencing “chronic homelessness” has increased in sheltered and unsheltered locations,³ comprising about one-third of all homeless persons in 2022.⁴
 - HUD refers to “chronic homelessness” as those with a disabling condition, such as mental illness or substance abuse, that have either been unhoused intermittently over three years or unhoused for a year or more.⁵
 - Many cities across the U.S. continue to experience severe homelessness problems, mainly resulting from progressive local governments refusing to crack down on public encampments. This has led to the degradation of health and safety, private property, and local economies.
 - San Francisco, California has recently experienced an exodus of businesses and households. From 2019-2020 alone, the city experienced a net loss of over 33,000 residents.⁶ Companies are also shuttering their doors due to the city’s social decay, with about half of mall retailers having closed shop since 2020.⁷ Further, about a quarter of office space in San Francisco remains vacant, and overall activity remains alarmingly low—downtown cell phone activity in the city is at 32% of its pre-Covid level, the lowest level across 13 major U.S. cities.⁸
 - Portland, Oregon, another city that has been hard-hit by increased violent crime and homelessness, has lost about 17,400 residents (3% of its population) between 2020 and 2022, with homicides and hard drug use rising to record levels in the last few years.⁹ [For more on the crime wave, see the RPC guide *Lack of Prosecution Destroys American Cities*.¹⁰]
 - The same social decay is occurring in other cities across the U.S., with many avoiding commonsense attempts to end permanent homelessness and restore order for taxpaying households and businesses.¹¹ In the areas across America facing growing homelessness challenges, “tent

encampments (and jails and prisons) have replaced those inpatient facilities.”¹²

- The City of Los Angeles has over 46,000 homeless individuals, which represents the 10% increase it saw in 2022. The new mayor, Karen Bass, has adopted the policy of “housing first” by immediately sheltering the homeless in motel rooms. This has manifested in the homeless being placed in motel rooms at a cost to the taxpayer of \$111 per person per night.¹³ While the removal of tent encampments and leveraging motel rooms for homeless individuals is beneficial to public safety and cleanliness, it is merely a costly temporary solution, with little to no long-term benefit if no additional interventions such as substance abuse treatment or job training do not also occur.
- California as a whole is suffering from a homelessness crisis. The state experienced a 50% increase in the number of homeless from 2014 to 2022 and has about half of the nation’s unsheltered homeless, about 115,000. This is despite the state only being about 12% of the nation’s population. California has spent a record \$17 billion combatting this problem over the four previous fiscal years, with another \$3.7 billion slated to be spent this year.¹⁴

- **Decades of failed federal policies under “housing first” has destroyed lives and increased homelessness.**

- Federal homelessness assistance is administered through various programs across 19 federal agencies, with HUD and the U.S. Interagency Council on Homeless coordinating the administration’s current federal initiative.^{15,16,17} In addition, there are well over 300 state and local government-funded rental housing programs.¹⁸
 - HUD administers rental housing programs for homelessness assistance through various housing voucher programs, including those made available with funding for the HUD-Veterans Affairs Supporting Housing program, a joint program between HUD and the Department of Veterans Affairs (VA) that makes available Section 8 housing vouchers and supportive services for veterans experiencing homelessness and housing insecurity. However, HUD also has other rental assistance programs, including Section 8 housing vouchers, for non-veteran persons experiencing homelessness or “at risk of homelessness.”¹⁹
 - The HUD Continuum of Care (CoC) program makes available funding for long-term permanent supportive housing (exceeding 24 months) in HUD’s rental housing assistance programs to homeless persons, which Public Housing Authorities can apply and administer in tenant-based rental assistance, sponsor-based rental assistance, and project-based rental assistance programs.²⁰ HUD-supported housing assistance provided for homeless persons can also be short-term and transitional housing, which is limited to up to 24 months in transitional housing through the CoC program.²¹
- Over the past decade and a half, HUD has awarded an increasing share of total CoC grants toward permanent supportive housing. Since 2005, the percentage of total CoC grants awarded to permanent supportive housing providers has increased from 50% to upwards of 70%, with the share awarded to transitional housing decreasing from 35% to under 5%.²²
 - The Biden administration requested \$3.75 billion for homeless assistance grants in its 2024 budget, with \$3.3 billion for CoC renewal grants (supports more than 750,000 homeless persons) and \$52 million in new grants for “rapid re-housing projects.”²³
 - In March, HUD announced \$2.8 billion in CoC competition awards to “help individuals and families experiencing homeless move into permanent housing.”²⁴
- Federal homelessness assistance policy has primarily focused on a “housing first” model that prioritizes ending homelessness by getting people into “permanent housing” with few conditions for sobriety, work, or participation in other social services, including mental health.²⁵ This model inverts the problem and erroneously presumes homelessness is principally a housing or financial problem.²⁶ An estimated 43 percent of non-disabled working-age adults who receive housing assistance do not have children, and 45 percent of individuals on housing assistance do not work during the month they receive the benefit.²⁷
 - The “housing first” model has long been touted as the solution to homelessness. A decade ago, the Obama administration adopted the “housing first” policy approach and ended any service participation requirements for all HUD CoC grant recipients, the primary program at HUD administering federal housing and supportive services for homelessness assistance.²⁸
 - Not surprisingly, homelessness increased by over 20% nationwide between 2014 and 2020. Some

states, such as California, where homelessness rose 47.1% between 2015 and 2019, exacerbated the problems by requiring all state homelessness funding to align with the “housing first” model.²⁹

- **Losing a grip on barriers to self-sufficiency and durable housing experiences.**

- Homelessness is made worse in many areas of the nation due to persistent affordability concerns stemming from government policies restricting supply and putting upward pressure on prices.³⁰
 - Cities and areas with high housing costs have restrictive regulations that slow new supply from entering the market, if not prohibiting certain types of units that would meaningfully reduce prices and costs of housing.³¹
 - Lack of housing supply is one of the main factors driving up unaffordability in many markets across the U.S. Various government regulations, from zoning and land-use restrictions to permitting and building allowances, substantially impact the cost of new housing unit development and construction.
 - Research has shown that zoning rules alone are likely to increase rent costs by as much as 50 percent in certain high-cost cities, such as Manhattan, New York, and San Francisco and San Jose, California.³² Generally, if high-cost coastal cities adopted zoning regulations typical of the rest of the U.S., rents could fall over 9 percent.³³
 - In some areas of the nation, building new housing units to house homeless persons can cost several hundred thousand dollars per apartment unit.³⁴ In the past couple of years, the city of Los Angeles, CA, has spent as much as \$700,000 on certain studio and one-bedroom housing units in its efforts to provide durable shelter for the area's homeless population.³⁵
 - There is also overpayment that occurs in subsidized housing programs, which can enrich landlords at the expense of the American taxpayers and households not receiving subsidies and paying higher market rate rents.
 - Research using HUD data shows households that receive housing subsidies pay higher rents in more expensive housing units. This is generally consistent across different metropolitan areas of the nation, with the greatest effect for units near the maximum allowable voucher rent and in areas where housing supply is constrained.³⁶
 - In the District of Columbia, data on housing vouchers administered through the District of Columbia Housing Authority shows recurring rent overpayments, amounting to upwards of 30 percent above the comparable market rent.³⁷ In a high-priced housing market such as Washington, D.C., a 30 percent overpayment from market rent can cost taxpayers at least \$567 per month.
- Homelessness principally stems from behavioral and emotional problems, with individuals with high rates of homelessness suffering from some form of mental illness. HUD data shows that at least 21 percent of chronically homeless people suffer from severe mental issues.^{38,39}
 - Prioritizing “housing first,” the preferred policy approach under the Biden administration, has failed to eradicate homelessness and only worsened it. Barring additional interventions as a requirement for subsidized housing support to address homelessness, whatever circumstances and choices in a recipient’s life that caused them to need subsidized housing will remain.
 - Refocusing homelessness policy to prioritize mental and supportive services, sober living, job counseling, and training for re-entry to work will best encourage paths for renewing a healthy sense of personal responsibility, accountability, and self-respect. Housing services and providing shelter assistance are only part of the path toward self-sufficiency.
- Expanding HUD government housing assistance to provide homeless persons with permanent housing opportunities could likely inject these crime and social problems into a new community. Unless there is required accountability for those who receive government-assisted housing that facilitates sobriety, improves mental and emotional health, and increases the capacity to get and hold a job, implementing policies that incentivize more subsidized housing will likely negatively impact the communities they reside in through higher crime and lowering property values.⁴⁰
 - Numerous studies show a link between higher poverty rates and high violent crime rates. Approximately 400,000 persons receive government-subsidized housing through the New York City Housing Authority (NYCHA); about 20 percent of violent crime is committed within 100 feet of public housing.⁴¹

- According to the U.S. Department of Health and Human Services, low-income neighborhoods are already more likely to be affected by crime,^{42,43} and further expansion of “housing first” programs would likely only exacerbate that issue.

POLICY SOLUTIONS

- Congress must include accountability measures in any funding for homelessness assistance to end homelessness and return people to enriched lives that come through personal responsibility and self-sufficiency.
 - Federal requirements for housing benefits should include policies that ensure recipients are on a trajectory for success, aligning incentives for work-able adults to move toward self-sufficiency and reducing crowding out assistance for individuals in greater need.
 - To this end, Congress should reform housing assistance programs by instituting time limits for receiving assistance, requiring able-bodied adults to work, and drug testing. This last provision can be found in the *Drug Testing for Welfare Recipients Act* proposed this Congress.⁴⁴
- Congress should pass the *Housing Plus Act of 2023*, which would prioritize addressing the core problems of homelessness and so-called “housing insecurity” by prohibiting HUD from refusing grants to housing and homelessness services providers that require individuals to participate in non-housing services, such as addiction treatment, mental health care, and job counseling, requiring sobriety, as well as grants to faith-based providers.⁴⁵

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³ CoC Homeless Populations and Subpopulations Report. U.S. Department of Housing and Urban Development. <https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/>

⁴ <https://www.huduser.gov/portal/sites/default/files/pdf/2022-ahar-part-1.pdf>

⁵ HUD has defined “chronically homeless” in regulation following the statutory definition in the McKinney-Vento Act. Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH): Defining Chronically Homeless Final Rule. <https://www.govinfo.gov/content/pkg/FR-2015-12-04/pdf/2015-30473.pdf>

⁶ IRS Migration Map. American Enterprise Institute. <https://heat.aeihousingcenter.org/migration>

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¹² Howard Husock. It’s mental health, stupid: How Team Biden misunderstands homeless crisis. New York Post. September 20, 2021. <https://nypost.com/2021/09/20/its-mental-health-stupid-how-team-biden-misunderstands-homeless-crisis/>

¹³ Christine Mai-Duc. Los Angeles Mayor Karen Bass Is Trying to Get Homeless People Off the Street Fast. The Wall Street Journal. <https://www.wsj.com/articles/los-angeles-mayor-karen-bass-is-trying-to-get-homeless-people-off-the-street-fast-13411504>

¹⁴ Christine Mai-Duc, Jim Carlton. California Spent \$17 Billion on Homelessness – It’s Not Working. The Wall Street Journal. <https://www.wsj.com/articles/california-homeless-population-oakland-wood-street-encampment-78d42cc3>

¹⁵ Federal homelessness policy is coordinated across 19 federal agencies through the U.S. Interagency Council on Homelessness, the only federal agency with the sole mission to prevent and end homelessness in America. <https://www.usich.gov/>

¹⁶ Last year, the Biden administration re-branded the federal homelessness approach to the “House America: An All-Hands-on-Deck Effort to Address the Nation’s Homeless Crisis,” yet continues to prioritize housing investments first as a first-order policy consideration. This plan would use funding from the American Rescue Plan (ARP), including 70,000 emergency housing vouchers, \$5 billion in HOME grants, and other funding, to “help more Americans obtain the safety of a stable home.”

¹⁷ House America. U.S. Department of Housing and Urban Development. https://www.hud.gov/house_america

¹⁸ State and City Funded Rental Housing Programs. National Low Income Housing Coalition. <https://nlihc.org/state-and-city-funded-rental-housing-programs>

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