

COMMITTEE ON HOUSING AND HOMELESSNESS

18 NOVEMBER 2025

CHANGES IN FEDERAL HOMELESS SYSTEM



com
m
u
n
i
t
y

Seven Observables on Homelessness

- **Observable 1:** What we are doing in Oregon is working.
- **Observable 2:** The homeless numbers continue to grow.
- **Observable 3:** Observable 2 is not connected to Observable 1.
- **Observable 4:** New homeless wave is largely economically driven.
- **Observable 5:** Criminalization efforts will fail as they have before.
- **Observable 6:** Need full continuum of services to make the system viable; that is prevention impacts shelter; shelter impacts housing programs, all the way down stream to affordable housing.
- **Observable 7:** Problem was decades in the making; will take time to solve. Given public skepticism, outcomes must be transparent.

Changes in the CoC Program

- Continuums of Care created in 1994 (McKinney-Vento, 1987).
- Charged with:
 - Running the Homeless Management Information System (HMIS)
 - Running Coordinated Entry (CE)
 - Managing competition for local funds
- Before CoC's funding was chaotic and nonaligned.
- System is far from perfect. Investments are small, and not equitably distributed.
- Rural areas historically underserved.

One Slide on the History

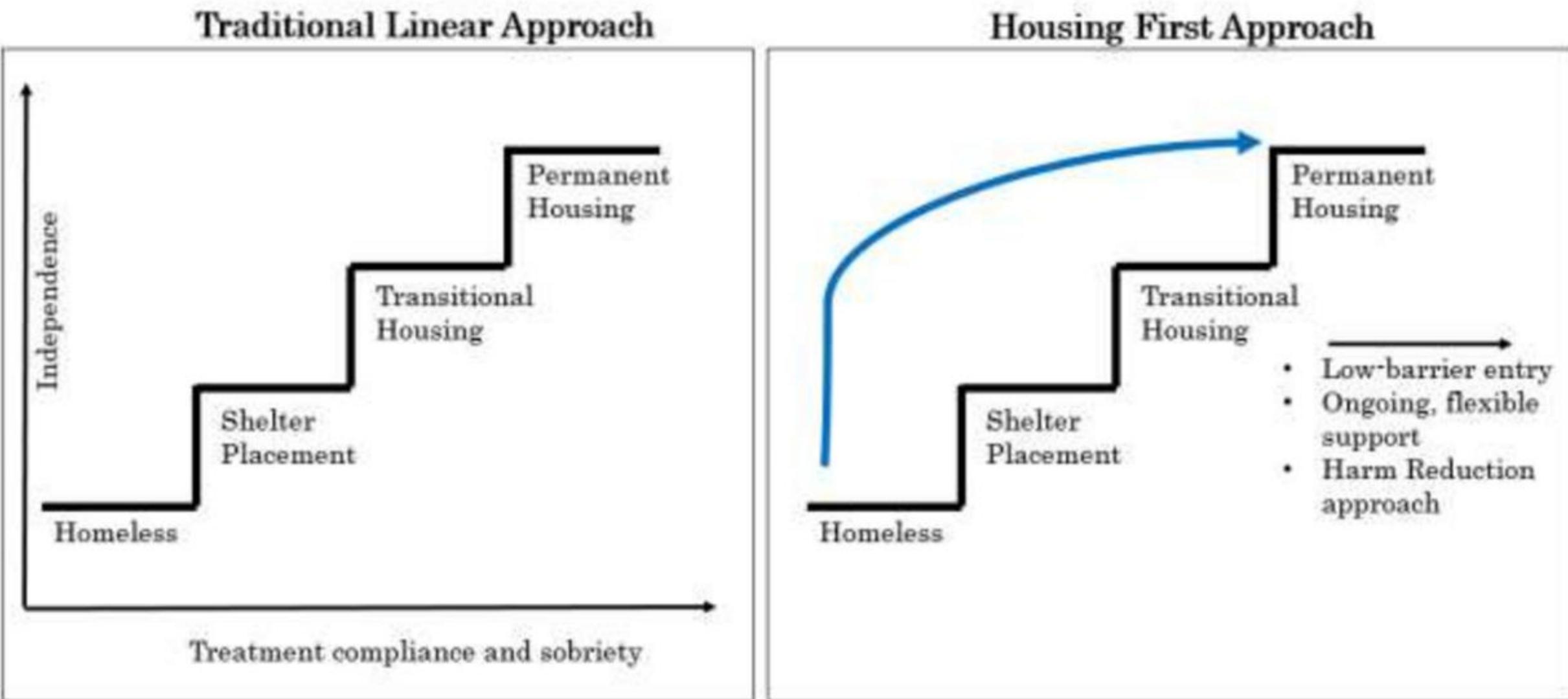
Chronology

- Industrialization
- Poor Farms
- State Hospital System
- Community Mental Health Act
- War on Poverty
- End of Social Safety Net
- War on Drugs
- Housing Affordability Crisis

Service Philosophies

- 1880-1960: Charity Based
- Poverty as a moral failure
- 1960-2000: Transitional
- 2000s-Present:
 - Housing First
 - Harm Reduction
 - CoC Model (from 1990s)
 - Pit Counts, etc.

Figure 2: Traditional versus Housing First Approach to Homeless Housing



Source: Recreated by author from (Padgett et al., 2016)

Problems with the Old Way

- Transitional Housing not scalable.
- Transitional Housing not reflective of the need.
- Transitional Housing was discriminatory.
- Transitional Housing did not really house the homeless.
- Transitional Housing confused causation with correlation.
- Transitional Housing removed the agency from clients, gave it to case managers.
- The poverty of “Ready to Make a Change.”

The New Old Way

- Trump Administration signaled change in 2023.
- Advocacy organizations focused on criminalizing homelessness, ending housing first, harm reduction.
- Shut down [USICH](#) in April.
- Executive Orders in July ended support for housing first, promoted criminalization.
- HUD under [Secretary Scott Turner, Caitlyn McKenney](#) planned to compete federal funds a year early, on a new model.

HUD Issues NOFO for \$3.9B

- Early re-compete of typical two-year NOFO cycle, new awards in summer 26;
- Moving money away from current service models to treatment models;
- Slashing/capping PSH (and RRH) at 30 percent in any CoC (170,000 out);
- Incentives for treatment first, transitional housing models;
- Noncompliant organizations (now or in the past) may not be eligible;
- TH must provide 40 hours of weekly programming, outreach and enforcement;
- De-prioritization for **Housing First**, banning some **Harm Reduction**;
- Intent to shift funds to faith-based providers; “Merit Review,” “**Risk Review**”;
- Service districts must criminalize homelessness, public camping/drug use;
- COC and service districts must comply with Presidential Executive Orders;
- COC must cooperate with immigration enforcement;
- COC must not promote “racial preferences,” or “transgender preferences.”

Inevitable Outcomes in Oregon

- Currently about 22,000 homeless in Oregon.
- Many currently housed (2,500), formerly homeless will be homeless again. Cannot look to a system that created modern homelessness to cure it.
- Continuums of Care **will be compromised** by serving two polarized sets of compliance obligations; certainly lose funds.
- Criminalization efforts will drive homeless persons to rural areas.
- Demands for shelter will increase.
- Public pressure on government over homelessness will increase
- More critical now than ever to reduce the inflow.
- Impact on low-income Oregonians is compounding.

What Can We Do?

- Hold the line on any additional cuts to:
 - EHA
 - SHAP
 - LTRA
 - ORI
 - Prevention
 - Affordable Housing
- Refocus on preventing eviction:
 - Find funds for ORE-DAP
 - Make HRSN easier, faster