

Using Federally-Funded Homelessness Programs to Reduce Homelessness

Statement of
Samantha Batko*
Senior Fellow
Lead of the Preventing and Ending Homelessness Team
Urban Institute

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OVERSIGHT COMMITTEE
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Fixing Fraud and Failure in Federally Funded Homelessness Services

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*The views expressed are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

Chairman Burchett, Ranking Member Stansbury, and members of the subcommittee, thank you for having me here today to talk about the federal government response to homelessness. My name is Samantha Batko. I am a senior fellow and lead of the preventing and ending homelessness team at the Urban Institute in Washington, DC.

The Urban Institute provides independent, timely, and accessible analyses to inform policy debates and improve people's lives. And, at Urban, I specialize in research, evaluation, and technical assistance to prevent and end homelessness for communities and organizations. The goal of my work is to ensure that fewer people and communities experience the harms of homelessness. This testimony draws upon my more than two decades of experience researching and evaluating efforts to address homelessness, work with community members experiencing homelessness, and document the harms of widespread homelessness on communities. The views expressed here are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

In today's testimony, I will make 5 primary points:

1. The status quo of homelessness, particularly unsheltered homelessness, in the US is unacceptable and we need a clear path toward measurable and visible improvement. Communities across the country are currently spending an enormous amount of money managing a crisis. The strategies undertaken should be informed by local data and rigorous evidence and agencies and organizations should be accountable for measurable results.
2. Homelessness is predominantly driven by challenges extremely low-income households have affording housing. And, affordable housing trends have been worsening putting more households at risk and increasing the number of people entering homelessness.
3. For a clear path forward, federal policy should look to communities that are making measurable, visible progress reducing homelessness. Communities reducing homelessness are: (1) using real-time data to target resources and activities, (2) coordinating response across government agencies, (3) prioritizing returning people to housing as quickly as possible, and (4) clearing encampments with tangible offers of shelter and housing and maintaining cleared encampment locations.
4. Federally-funded homelessness policy and programs have evolved over the last 40 years based on local and state innovation and evidence building using rigorous research. Federal grantees should be held accountable for how taxpayer resources are spent, but new federal policy directions are not consistent with the strategies in communities making progress and threaten to undermine grantee performance by returning to previously failed and costly approaches and other strategies that show no evidence of reducing homelessness.
5. A US future that does not include widespread homelessness will require significant investment in and development of affordable housing; income and/or housing assistance for those that need it; and healthcare and treatment access, but progress can and is being made today in communities reorienting toward a crisis response system that is focused on helping people restabilize in housing.

Homelessness in the US: Unacceptable Status Quo

Over 745,000 people experienced homelessness on a single night in 2025 (the most recently available national estimate).¹ More than 266,000 of those people were in unsheltered settings, meaning places not meant for human habitation, including streets, cars, or abandoned buildings.¹ While most people experiencing homelessness are

¹ The 2025 Annual Homelessness Assessment Report (AHAR) to Congress Part 1: Point-in-Time Estimates of Homelessness, published by the U.S. Department of Housing and Urban Development. <https://www.huduser.gov/portal/datasets/ahar/2025-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

adults, more than 134,000 children were literally homeless, including more than 22,000 unsheltered, on that single night in 2025.¹

Homelessness decreased 12.5 percent from 2009 to 2017 driven by decreases in veteran, chronic, and family homelessness.² But, unsheltered homelessness began to increase in 2015 and, in subsequent years other subpopulations started increasing as well: chronic homelessness started increasing in 2017, sheltered homelessness in 2018, and family homelessness in 2022.¹ From 2024 to 2025, there was a small reversal in these trends with decreases in homelessness overall and among those unsheltered with major cities and rural areas reporting decreases and suburban areas reporting increases.¹

These increases and decreases in one-day counts are driven by imbalances in the number of people entering homelessness and those exiting. Over the course of a year, about 1.2 to 1.5 million people use one of the about 489,000 temporary homeless assistance program beds nationwide.³ Despite the current focus on visible, unsheltered homelessness, this includes about half a million people in family households, about two-thirds of whom are children. What is happening nationally as the point-in-time estimate is going up year over year is that the number of people entering homelessness exceeds the number of people who are rehoused year over year, resulting in an increasing number of people experiencing homelessness as measured at a point in time.

Homelessness, Housing Insecurity, and Housing Affordability

Decades of research show consensus that rates of homelessness are most clearly explained by a lack of access to affordable housing and costs of housing outpacing incomes. Multiple rigorous analyses have shown that rates of homelessness strongly correlate to:

- low vacancy rates and high costs of rent (Honig and Filer 1993);⁴
- high incidences of housing cost burden (Raphael 2014);⁵
- unfavorable rent to income ratios for renters (Quigley, Raphael, and Smolensky 2001⁶ and Glynn, Byrne, and Culhane 2020⁷);
- increases in rent (GAO 2020);⁸ and
- unfavorable median home price to median income ratio (American Enterprise Institute 2024).⁹

To contextualize the increases in homelessness over the last decade, one need only examine the trends in a number of these measures of a lack of housing affordability. Recent research shows that:

² Henry, Meghan, Anna Mahathey, and Meghan Takashima. 2020. The 2018 Annual Homeless Assessment Report (AHAR) to Congress. Part 2: Estimates of Homelessness in the United States. Washington, DC: US Department of Housing and Urban Development, Office of Community Planning and Development.

³ U.S. Department of Housing and Urban Development. 2024. 2022 Annual Homelessness Assessment Report to Congress: Part 2 Annual Estimates of Homelessness in the US. <https://www.huduser.gov/portal/datasets/ahar/2022-ahar-part-2-pit-estimates-of-homelessness-in-the-us.html>

⁴ Honig, Marjorie, and Randall K. Filer. 1993. Causes of Inter-city Variation in Homelessness. *American Economic Review*, 83(1), 248–255.

⁵ Raphael, Steven. 2014. "Housing Market Regulation and Homelessness." *How to House the Homeless*. Editors: Ingrid Ellen Gould and Brendan O'Flaherty. New York: Russell Sage Foundation, 110–140.

⁶ Quigley, John, Steven Raphael, and Eugene Smolensky. 2001. Homeless in America, Homeless in California. *The Review of Economics and Statistics*, 83(2), 37–51.

⁷ Glynn, Chris, Thomas Byrne, and Dennis Culhane. 2020. "Inflection Points in Community-level Homeless Rates." *Annals of Applied Statistics*. Available at: https://wp-tid.zillowstatic.com/3/Homelessness_InflectionPoints-27eb88.pdf

⁸ <https://www.gao.gov/assets/gao-20-433.pdf>

⁹ <https://www.aei.org/commentary/hud-homeless-count-fails-to-connect-dots-on-supply-and-displacement/>

- In 2024, nearly one in three households were housing cost-burdened, meaning that they spent over 30 percent of their income on housing, with renters were more than twice as likely as homeowners to report being cost burdens;¹⁰
- Rises in cost burden for renters in 44 states have been observed over the last five years;¹¹
- One in five (20.0 percent) renters ages 18–64 reported that they did not pay the full amount of rent or were late with a rental payment at some point in 2025, a significant increase from 2024;¹² and
- While lower-income households remained the most likely to report challenges paying rent in 2025 (27.8 percent), middle-income renter households reported a sharp increase in affordability challenges from 14.3 percent in 2024 to 21.6 percent in 2025.⁴

Urban tracks rental and homeownership costs along with other everyday costs through its Affordability Tracker¹³ and has found that 49 percent of people in American households don't have the resources to cover essential expenses to live securely.¹⁴ This lack of affordability is compounded by the fact that only one in five households that are eligible for federal housing assistance receive it.¹⁵

Lessons from Communities Currently Reducing Homelessness

As more and more communities struggle with a lack of affordable housing, federal policy could be best guided by learning from communities that are showing progress in reducing homelessness, particularly unsheltered homelessness.

I serve as the lead evaluator of Denver, Colorado's All In Mile High Initiative (AIMHigh) to reduce unsheltered homelessness. In February 2024, Denver Mayor Mike Johnston announced the All In Mile High (AIMHigh) initiative following years of increasing unsheltered homelessness and encampments. The primary goal of AIMHigh is to effectively end unsheltered homelessness in Denver by the end of 2026. To achieve this, AIMHigh seeks to reduce encampments and unsheltered homelessness and to maintain that reduction by transitioning people to permanent housing.

To date, AIMHigh has successfully reduced visible, unsheltered homelessness and encampments in the city by moving thousands of people into shelter and housing. The City has announced a 64 percent reduction in unsheltered homelessness in 3 years¹⁶ and our analysis showed a 93 percent reduction in encampments in downtown Denver.¹⁷ The City reports having sheltered and rehoused more than 9,000 people since July 2023.¹⁸

To accomplish this, the city implemented several strategies: (1) using real-time data to locate and prioritize encampments by size, composition, and public health risks; (2) coordination across municipal agencies and nonprofit service providers; (3) temporarily ramping up accessible shelter options; (4) connecting people to permanent housing, predominantly through housing navigation and time-limited rent assistance, but also more intensive housing and services interventions based on individual need; and (5) maintaining cleared encampment locations.

¹⁰ Data from US Census Bureau, American Community Survey, 1-Year Dataset, 2024. "Housing Cost Burden in United States," America's Health Rankings, United Health Foundation, accessed May 2026, https://www.americashealthrankings.org/explore/measures/cost_burden

¹¹ JCHS (Joint Center for Housing Studies of Harvard University). 2026. America's Rental Housing 2026. JCHS.

¹² *Forthcoming*: Karpman, Michael, Grace Kochs, Samantha Batko, Kathryn Reynolds. 2026. Renters Increasingly Struggle to Pay for Housing New Findings on Housing Affordability from a National Survey. Urban Institute: Washington, DC

¹³ <https://www.urban.org/data-tools/american-affordability-tracker>

¹⁴ Acs, Gregory, Ilham Dehry, Lauren Simpson, Margaret Todd. 2026. Update 2023: Measuring the True Cost of Economic Security. Urban Institute: Washington, DC.

¹⁵ Kingsley, Thomas. 2017. Trends in Housing Problems and Federal Housing Assistance. Washington, DC: Urban Institute.

¹⁶ <https://www.cbsnews.com/colorado/news/denver-mayor-mike-johnston-homelessness-9-year-low/>

¹⁷ Batko, Samantha, Pear Moraras, Anna Donate, Brendan Chen, Alyse Oneto. 2025. Evaluation of Denver's All In Mile High Initiative: 2025 Interim Report. <https://www.urban.org/research/publication/evaluation-denvers-all-mile-high-initiative>

¹⁸ <https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directories/Mayors-Office/Programs-and-Initiatives/Homelessness-Initiative/All-In-Mile-High-Dashboard>

Denver is not alone. It is part of an emerging group of communities demonstrating that cities can use local data, coordinate and scale the shelter, housing, and services needed to produce accountable, measurable reductions in homelessness that voters and policymakers are looking for:

- Dallas, TX implemented a “Street-to-Home” model focused on resolving encampments in the downtown region and has reported an 89 percent reduction in daily street counts in downtown Dallas, more than 6,000 people exiting homelessness in 2025, and a 25 percent reduction in unsheltered homelessness in Dallas and Collins Counties since 2021.¹⁹
- Philadelphia, PA reported a 39 percent decrease in unsheltered homelessness from 2025 to 2026 crediting expanded shelter capacity, outreach, coordination, and investments that connected people with housing and services.²⁰
- Houston, TX reported a 33% decrease in unsheltered homelessness since 2020 with a housing focused system that expanded shelter and access to housing while working to reduce encampments.
- San Diego County, CA reported more modest decrease in unsheltered homelessness (11 percent from 2025 to 2026) through investments in shelter, diversion, and rapid resolution programs.²¹
- Indianapolis, IN reported an 18 percent reduction in unsheltered homelessness from January 2025 to January 2026, a decrease credited in part to a public-private partnership focused on moving people directly from encampments into housing.²² Of note, this decrease occurred before and without a controversial statewide camping ban

Evidence-Driven Policy Shifts in Federally-Funded Homelessness Programs

While homelessness has persisted in communities across the country, the policies and programs that are showing progress above

Based on the most recently available data, more than 500,000 people receive a permanent housing intervention in a year: about 315,000 in permanent supportive housing and 201,000 in rapid rehousing.²³ But, more people enter homelessness daily and, because of resource scarcity, only 16 percent of people who entered a shelter program were provided a permanent housing intervention in the last year of available data.²⁷ Most people who become homeless receive the safety and temporary security of shelter and then exit homelessness without any housing assistance.

Increasingly, there has been policy recommendations and funding announcements (that are currently stalled in litigation) to change the federal government’s approach to homelessness: to prioritize a shift to transitional housing and a “treatment first” approach and to use the criminal justice system in an attempt to deter unsheltered homelessness through camping and public sleeping bans. For the former, this was an attempted policy approach that failed and, for the latter, there is no evidence that criminalization of homelessness successfully reduces homelessness.²⁴

¹⁹ <https://housingforwardntx.org/wp-content/uploads/2026/05/2026-SOHA-Data.pdf>

²⁰ <https://www.phila.gov/2026-07-23-philadelphia-2026-point-in-time-count-report-finds-unsheltered-homelessness-drops-for-first-time-in-two-years/>

²¹ <https://www.rtfhsd.org/unsheltered-homelessness-drops-11-across-san-diego-region-as-investments-show-results/>

²² <https://mirrorindy.org/indianapolis-homeless-population-2026-pit-count-streets-home/>

²³ Culhane, Dennis, Matthew Fowle, Joy Moses. 2025. How Much Would It Cost to Provide Housing First to All Households Staying in Homeless Shelters. Available at: <https://dennisculhane.com/article/how-much-would-it-cost-to-provide-housing-first-to-all-households-staying-in-hom>

²⁴ Lebovits, H., and A. Sullivan. 2026. “Do Criminalization Policies Impact Local Homelessness?” Policy Studies Journal 54, no. 3: e70056. <https://doi.org/10.1111/psj.70056>.

Recommendations for a Future without Widespread Homelessness

The single most effective way to end homelessness nationwide would be to fund a comprehensive affordable housing plan that would include a universal voucher program, as this would both support exits from and prevent entries into homelessness.²⁵ Full funding and use of housing vouchers would reduce the share of people with resources below the Supplemental Poverty Measure poverty level by 13 percent and child poverty would decrease by 23 percent.²⁶

Barring an investment in universally available affordable housing, federal policy should focus on (1) helping more people exit homelessness, (2) preventing more people from becoming homeless, (3) reducing harm to people while experiencing homelessness, and (4) increasing access to and improve the performance of mainstream service systems, especially healthcare and treatment, for people experiencing homelessness.

²⁵ Batko, Samantha and Kate Reynolds. 2024. Working Paper: Ending and Preventing Homelessness and Evictions. <https://www.urban.org/research/publication/ending-and-preventing-homelessness-and-evictions>

²⁶ Wheaton, Laura, Ilham Dehry, Linda Giannarelli, Sarah Knowles. 2023. How Much Could Full Funding and Use of Housing Choice Vouchers Reduce Poverty? <https://www.urban.org/research/publication/how-much-could-full-funding-and-use-housing-choice-vouchers-reduce-poverty>