

Pulse Check: Stakeholder Interviews Reveal Widespread Anxiety

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The national funding and policy landscape for housing and homeless services is undergoing significant change. By late 2025, when stakeholders spoke with the National Alliance to End Homelessness (The Alliance), many homeless service providers faced growing uncertainty. This stemmed from the expiration of pandemic-era relief dollars, growing concerns about a potential recession, and proposed budget cuts at the federal level. Beyond shifts in housing and homeless funding, and cuts to safety net programs like Medicaid and the Supplemental Nutrition Assistance Program (SNAP), major national policy shifts were also occurring.

The Supreme Court decision on *City of Grants Pass v. Johnson* allows local governments to enforce anti-camping regulations without fear of being sued for violating the Eighth Amendment of the U.S. Constitution, even when the local jurisdiction has failed to produce enough housing or shelter for people to use. This decision had effectively opened the possibility of increased criminalization of people who are unhoused. Federal immigration policies have also shifted significantly, including a major expansion of Immigration and Customs Enforcement (ICE) capacity, increased community-level enforcement, and the removal of homeless shelters from the list of “sensitive locations” protected from enforcement actions. In addition, the Federal government had begun pushing to end Diversity, Equity, and Inclusion (DEI) initiatives that identify and address inequities, and it had begun discussions about moving away from Housing First policies, which have been a cornerstone for housing and homeless services for nearly two decades.

Given the unprecedented funding and policy shifts occurring at the federal level, the Alliance was interested in understanding how housing and homeless services are being affected at the local level, including the challenges providers and Continuums of Care (CoCs) are facing, strategies they are using to adapt, and how state and local governments are responding. In addition to identifying impacts, the Alliance also sought to identify emerging practices that could inform the broader field and how national organizations, such as the Alliance, can best support housing and homeless service systems and providers in this critical moment.

Methods

To understand how federal shifts are impacting local housing and homeless services, during the last quarter of 2025, we sought to interview stakeholders across states, taking into consideration the following factors: (1) rate of reliance on federal funding for Permanent Supportive Housing (PSH) beds; (2) 2024 presidential election results (i.e., Democratic versus Republican leaning at state level); and (3) regional diversity (i.e., urban versus rural). Rate of reliance on federal funding for PSH was determined using data from the [U.S. Department of Housing and Urban Development \(HUD\)](https://www.hud.gov/) and was tiered at three levels: high federal reliance (50% or more federal funding for PSH); mid-level federal reliance (35-49% federal funding for PSH); and low federal reliance (below 35% federal funding for PSH). A total of 6 states were chosen, and 1-2 CoCs were interviewed per state for a total of seven CoCs. In addition, three homeless service providers in different states were interviewed — representing each of the three levels of federal funding reliance. Interviews were 60-90 minutes in length and were transcribed. Interview notes are analyzed and summarized below.

Results Overview

Interviews reveal widespread anxiety about the sustainability of housing and homelessness services. While local contexts vary, all interviewees emphasized heavy reliance on federal resources, which have historically served as a stable source of funding for core program operations. The expiration of pandemic-era dollars, the threat of federal funding cuts, and shifting federal policies have created concerns regarding the ability of local jurisdictions to meet community housing and homeless service needs. However, due to significant uncertainty regarding how federal funding and priorities might shift, interviewees are in a holding pattern, avoiding drastic programmatic changes. Most interviewees shared that their immediate focus has been on advocacy in the hopes of maintaining current levels of funding and stopping large policy shifts.

I. Expiration of Covid-19 Funds and End of Emergency Housing Vouchers

Interviewees shared a range of experiences related to the expiration of COVID-19 funds and the early termination of the Emergency Housing Voucher (EHV) program. Most interviewees stated that they planned for COVID-19 funds as a one-time investment. While the funding allowed them to scale up local housing and homelessness supports, there was an understanding that programs would be time-limited. While some respondents made efforts to find resources to fill gaps caused by the expiration of these funds, staff were largely prepared to wind down programs, including closing or dramatically reducing rapid rehousing, hotel/motel vouchers, and non-congregate shelters. However, several respondents did note that part of the challenge with expiring resources was that community members continue to need and seek resources that are no longer available. Communities are struggling with the realization that new resources are limited or non-existent. Interviewees expressed concern that local efforts to reduce homelessness will be stymied by a lack of housing resources and the need to temper community expectations about resource availability.

Interviewees were also asked about the impact of expiring EHVs, which are slated to expire several years earlier than originally anticipated. The level of concern expressed by respondents varied depending on the number of EHVs received. Jurisdictions with low voucher counts, less than 100 vouchers, largely believed that they would be able to transfer recipients to other housing programs. CoCs that received a larger number of vouchers expressed significant concerns about the early expiration. Many of these jurisdictions are pausing enrollments into housing subsidy programs in the hopes of transferring EHV recipients to open slots. However, not all systems will have the capacity to absorb all EHV holders, and many respondents expressed concerns that people will end up back on the streets. One interviewee did note that it is hard to predict who will fall back into homelessness, as this may depend on how local jurisdictions selected EHV recipients, including whether vouchers were targeted towards high-need populations or to individuals receiving rapid rehousing or other short-term interventions that might be able to stabilize without additional supports.

II. Federal Dependency and Potential Funding Cuts

All interviewees described their work as dependent on federal funds. Federal funding streams — including CoC, PSH, Emergency Solutions Grants, the HOME Investment Partnerships Program (HOME), and the Youth Homelessness Demonstration Project (YHDP) — constitute a significant portion of housing and homeless service budgets and have long served as a reliable source of ongoing funding. For CoCs, federal funds are vital. CoC interviewees identified planning and program funds as critical for system coordination and advocating for federal policies and programs. Interviewees stressed the critical role of CoCs in ensuring that local homelessness response is coordinated. Funding for the Homeless Management Information System (HMIS) was identified as important for assessing program performance and ensuring accountable use of federal resources.

Interviewees expressed concern regarding any decreases in current federal funding amounts. Recipients of YHDP funds feared that the elimination of these dollars would result in a patchwork of services for transitional-age youth and noted that some homeless service providers were putting initiatives on pause due to funding uncertainty; for example, a provider reported that they were no longer moving forward with plans to purchase a new building for youth services and housing.

CoC interviewees who allocated large portions of their federal funding to housing solutions expressed grave concern that shifts in federal funding would leave significant gaps that would be impossible to fill. Additionally, most interviewees were apprehensive about CoC dollars being transitioned to a block grant, an idea that was proposed by the president but has yet to be seriously considered by Congress. If this change were to happen, there would be (1) concerns that at the federal level the grant would be formula-based and skewed in favor of the current administration's agenda; and (2) uncertainty about how states would allocate funds and whether they would continue to support current CoC operations and programs.

While some interviewees have access to state and/or local dollars, these funds largely serve to supplement federal resources and fill funding gaps. For example, state and local dollars have traditionally allowed CoCs to scale housing and homeless solutions and/or support pilot programs and innovative strategies. When asked if state or local resources could potentially fill gaps left by federal funding cuts, interviewees noted that they may provide some relief, but that resources are largely earmarked for specific programs or initiatives. Additionally, if local funds are dependent on tax revenue, interviewees expressed concern that a potential recession and decreased local spending would result in lower funding amounts than previously projected. Interviewees also felt that philanthropy would be uninterested in funding core program operations, as historically they have been invested in supporting program innovations through one-time resource allocations. While interviewees were open to different funding streams, one CoC interviewee shared that they were constrained in their ability to diversify funds because they were a contractor to their state public housing authority which functioned as the collaborative applicant/fiscal agent. This respondent shared that the CoC was looking into the possibility of becoming a 501(c)(3), but this type of challenge may be applicable to other CoCs.

III. Housing First

Interviewees expressed ongoing commitment to Housing First but acknowledged that the principle is under strain. Interviewees see Housing First as an effective evidence-based practice for addressing homelessness. However, some interviewees reported local opposition to and confusion about the model, which was attributed to two factors: (1) an incorrect belief that Housing First meant “housing only,” and (2) challenges experienced in PSH due to underfunded or insufficient service supports. One CoC respondent shared that they are getting “hard hit” with local opposition to Housing First and believe that some service providers are starting to implement more rules and deny housing to people they believed were “not ready,” a core deviation from the foundation of the Housing First approach.

Interviewees largely emphasized the importance of increasing education about what Housing First entails, while also recognizing the model’s current challenges and limitations. Several respondents noted the need for the field to openly acknowledge that PSH can lack sufficient service supports and that additional efforts are required to ensure participants are connected to and receiving services that address their health and other needs. A homeless service provider also shared their ongoing efforts to raise awareness about community integration once people are placed into housing, acknowledging that new service models may be needed to ensure that people are adequately integrated and supported in their new places of residence. Nonetheless, interviewees believed that Housing First worked but that there might be a need to “rebrand” the model and speak about the strategy within the context of system performance metrics and evidence-based practices.

Interviewees expressed consternation about federal discussions to move away from Housing First. They noted that for over a decade the federal government shifted the homeless service system to Housing First, and that efforts to abruptly change strategy will be disastrous to the field. Shifts in strategies will lead to questions regarding how to use current resources and infrastructure that has been built around permanently housing people (for example, does PSH get converted to transitional housing?), and significant confusion on ways to reconcile state and local dollars with new federal requirements. Interviewees acknowledged that increasing client choice, such as providing sober living facilities to clients who preferred those options, would be a welcomed change but that such models should be added to a spectrum of choices without the elimination of Housing First programs.

Several interviewees warned that if the federal government moves toward institutionalization, existing service systems lack the capacity to absorb demand. When asked about the availability of substance use treatment programs and mental health services, all interviewees stated that community resources were not sufficient and/or that when programs are available, few are tailored to meet the needs of people experiencing homelessness or are willing to take people who are uninsured. As a result, even when people are interested in receiving treatment, these options are not always there.

IV. Medicaid and the Federal Safety Net

Cuts or eligibility changes to Medicaid, SNAP, and other safety net programs were cited as significant threats. All respondents expressed concern for people experiencing homelessness and recently housed individuals who they fear will lose critical supports. Respondents expressed worry that proposed federal changes will create new barriers, including additional paperwork and lengthier enrollment processes, causing participants to drop out or opt out of programs they qualify for. Others are concerned that reduced benefits, such as reductions to SNAP, will create added financial challenges. Interviewees noted that their program participants already struggle to meet their nutritional needs — especially those with dietary restrictions related to health conditions — and expressed concern that reduced food benefits, coupled with fewer healthcare supports, will increase economic instability and worsen health outcomes. Interviewees also pointed out that reductions in food assistance will result in greater reliance on food banks. Additionally, interviewees fear that reduced safety net resources will create increased pressure for homeless service providers to find ways to fill gaps.

Interviewees in healthcare expansion states are uniquely concerned about changes to Medicaid, which is now an important funding source for homeless service systems. Medicaid dollars cover a range of services, including case management, behavioral health, and tenancy supports. In expansion states, CoCs are leveraging Medicaid dollars to fund services for PSH and have relied on healthcare dollars to fill programmatic gaps left by the expiration of COVID funds. If healthcare coverage decreases, interviewees in expansion states fear that critical resources for housing and homeless services will be lost. Due to the current uncertainty surrounding changes to Medicaid and their potential impacts, two interviewees shared that there is a pause on new initiatives that would leverage healthcare dollars, specifically investments in [recuperative care](#) beds.

While most interviewees expressed uncertainty about how to respond to upcoming safety net changes, a few described proactive steps their organizations are taking to prepare. These included:

- emphasizing the importance of enrolling all program participants in safety net programs,
- revisiting guidance developed during COVID-19 when Medicaid eligibility waivers were lifted (shifting renewal periods from 24 months back to 12 months),
- teaching providers how to become “authorized representatives” for program participants, and
- exploring ways homeless service providers can help participants meet new Medicaid “community engagement” requirements — such as working, volunteering, or attending school for at least 80 hours per month.

One provider noted that their organization was considering creating volunteer opportunities specifically designed to help participants fulfill Medicaid’s “community engagement” requirement. Nonetheless, interviewees raised concerns about new administrative requirements and noted that maintaining consistent contact with program participants — many of whom are transient — will make program enrollment challenging.

V. Diversity Equity and Inclusion (DEI) and Immigration Enforcement

When asked about DEI, an interviewee in a Democratic state shared that state officials were still moving forward with equal access training for all shelter providers (aiming to ensure no one is denied services due to factors such as race, ethnicity, gender, or disability). Conversely, an interviewee in a state that leans Republican shared that their state had a conservative reading of HUD's guidelines around DEI. However, most respondents noted little guidance from state or local governments about shifts in DEI policy.

Interviewees shared that they were following federal conversations about limiting federal resources to citizens but were unsure of how such policies would be implemented and enforced. Interviewees noted that people experiencing homelessness frequently lack identification documents, such as IDs, social security numbers, or birth certificates, and that requesting these to enter a shelter or receive emergency services will create unnecessary barriers for all highly vulnerable individuals.

VI. Shifts Following Grants Pass Decision

Following the Grants Pass Supreme Court decision, interviewees described divergent local responses. In some jurisdictions, the ruling prompted a shift toward increased encampment clearances. These clearances were driven by political and public pressure about moving people out of sight, often without clear rehousing plans. Encampment clearances are chaotic and reactive approaches, with individuals being displaced from one neighborhood to another. Impacted people often blame homeless services workers even though they are not typically responsible for community decisions to clear encampments. One respondent noted increased distrust between workers and those they seek to help. There was also a growing fear that punitive policies (such as jailing people experiencing homelessness) will gain traction, even as local jails remain overburdened and ill-equipped to serve this population. In contrast, other interviewees reported minimal change in enforcement, though some municipalities have introduced targeted ordinances, such as anti-camping measures aimed at specific populations like individuals with opioid use disorder. Overall, the ruling has had a range of impacts dependent on local priorities and views on criminalization.

VII. Organizational Stability and Local Resilience

Interviewees were asked how their organizations were faring given federal funding and policy uncertainty. For the most part, interviewees shared that they were continuing to function as usual, not wanting to make significant changes without being certain of what federal shifts will be implemented. However, interviewees did express trepidation about moving forward with program expansions, with several organizations pausing initiatives, stopping hiring, or seeking consolidated roles. Additionally, one interviewee shared that while their CoC was hiring for vacant positions, applicants were hesitant to accept jobs funded through federal dollars and that some current employees are actively seeking other opportunities due to anxiety over job insecurity.

Interviewees expressed a growing fear that recent progress in addressing homelessness could be rolled back. One interviewee described how federal actions and executive orders have created widespread confusion, with some stakeholders assuming policy changes are already in effect even when they are tied up in litigation or awaiting administrative guidance. Significant uncertainty makes it difficult for CoCs to communicate clearly with service providers about how they should proceed. Confusion also persists when state and local policies conflict with federal direction.

Potential funding shifts are causing respondents to focus on managing existing inventory rather than expanding capacity. Interviewees acknowledge that if federal funding priorities shift, they may have to change their current program offerings. For example, instead of focusing on the most vulnerable, providers may need to serve whichever population the federal government decides to target. Additionally, providers may need to consider cuts to programs. As one provider mentioned, this may mean attempting to focus on the most impactful services while reducing others. Under this scenario, street outreach was noted as likely being among the first services cut. Yet many respondents remain cautious, choosing to wait for clearer federal guidance before making substantial changes.

Despite instability, communities are trying to leverage local momentum and partnerships to sustain progress. Bond measures, real estate taxes, and housing trust funds are emerging in several jurisdictions. Local leaders — including mayors — have championed housing development, and many are refraining from criminalization following Grants Pass. As noted above, interviewees are currently seeking to focus their energies on advocacy, local education, and community-level mobilization.

VIII. What CoCs Need from National Leadership

Across interviews, participants consistently emphasized the urgent need for clear guidance, strong advocacy, and proactive communication from national partners such as the Alliance. Many noted that the current moment feels defined by uncertainty — federal priorities remain unclear, funding changes are poorly communicated, and CoCs and local providers are left to interpret potential shifts with limited direction. This lack of clarity has paralyzed local planning, making it difficult for communities to prepare for possible cuts. Several interviewees recalled a time when the Alliance and HUD worked in closer partnership to issue coordinated guidance to CoCs, helping them navigate HUD processes and optimize funding opportunities. They expressed a strong desire to see that collaborative model return, particularly in a period when confusion and fragmentation are increasing across the field. The Alliance has remained open to all potential collaborations that advance the goal of ending homelessness.

Interviewees described a growing need for two-way communication between the Alliance and local systems. CoC leaders said they would like the Alliance's leadership to clearly articulate the organization's advocacy priorities and strategy. Interviewees called for a unified national strategy that aligns messaging. There was concern that fragmented or inconsistent communication — especially with elected officials — can dilute impact. There is also support for creating structured spaces for peer learning and cross-CoC coordination, so that communities can share information, co-develop strategies, and learn from one another's innovations. These kinds of networks were viewed as critical to advancing a field that is otherwise navigating change in isolation.

Since the time of these interviews, the Alliance has been taking steps to respond to these suggestions.

Interviewees suggested that advocacy efforts defend the CoC structure, protect Housing First, and counter misinformation about homeless programs and outcomes. Some interviewees proposed that the field consider a rebranding or reframing of Housing First, not to abandon the model, but to strengthen public understanding of its components and positive outcomes and promote a recommitment to its principles. They also underscored the importance of grounding advocacy in evidence-based strategies that emphasize the cost-effectiveness of supportive housing, the community benefits of vouchers (for multiple stakeholders including landlords), and the risks — including economic — of moving away from evidence-based solutions.

Interviewees also raised significant concerns about federal policy shifts. Several feared that CoC funding could shift to a system that could be easily influenced by politics. Others worried about the growing disconnect between state and federal directives — such as differences in shelter access laws — which complicates compliance and creates confusion.

Despite current federal uncertainty, many participants described an emerging wave of local engagement and a willingness among community members to act. Interviewees largely believe there is an opportunity to strengthen grassroots advocacy and pursue local solutions, such as city and state investments in housing and homelessness. However, respondents emphasized the need for national partners to provide the tools, frameworks, and messaging support necessary to effectively engage stakeholders. They called on the Alliance to help CoCs build local coalitions, mobilize diverse allies — including business, faith, and civic groups — and frame homelessness as a shared community responsibility, not a partisan issue.

Interviewees offered practical recommendations for how the Alliance could best support the field. These include providing real-time policy updates and access to crisis communication resources, organizing national and regional learning networks, and creating action-oriented briefs to guide both professional and citizen advocacy. Respondents also encouraged the Alliance to continue synthesizing complex federal developments into clear, actionable guidance, and to use its platform to elevate stories that humanize homelessness — particularly the experiences of working and at-risk individuals, which may resonate in the current political climate. Some interviewees also recommended that the Alliance seek dedicated funding to host convenings that help CoCs and service providers plan around legislative change, align strategies, and strengthen advocacy infrastructure nationwide.

Conclusion

The field is at a pivotal juncture. COVID-era investments proved that more people could be both temporarily and stably housed with influxes of new funding and coordination. Yet without stable federal commitment, the system faces contraction and potential fragmentation. Preserving the federal homelessness infrastructure — especially CoC funding, permanent housing solutions, and Medicaid integration — remains a critical priority.

Across all conversations, there was a deep sense that this is a critical moment for the homelessness field. Interviewees emphasized the importance of preparing for potential federal shifts toward transitional housing by designing low-barrier, client-centered models that incorporate peer support and evidence-based practices. Communities are also looking for leadership that can unify messaging, defend evidence-based practices, and help them adapt to an unpredictable policy environment without losing sight of long-term goals. Participants see the Alliance as uniquely positioned to provide that leadership — serving as both a conduit of federal information and a convener that strengthens collaboration and collective advocacy.