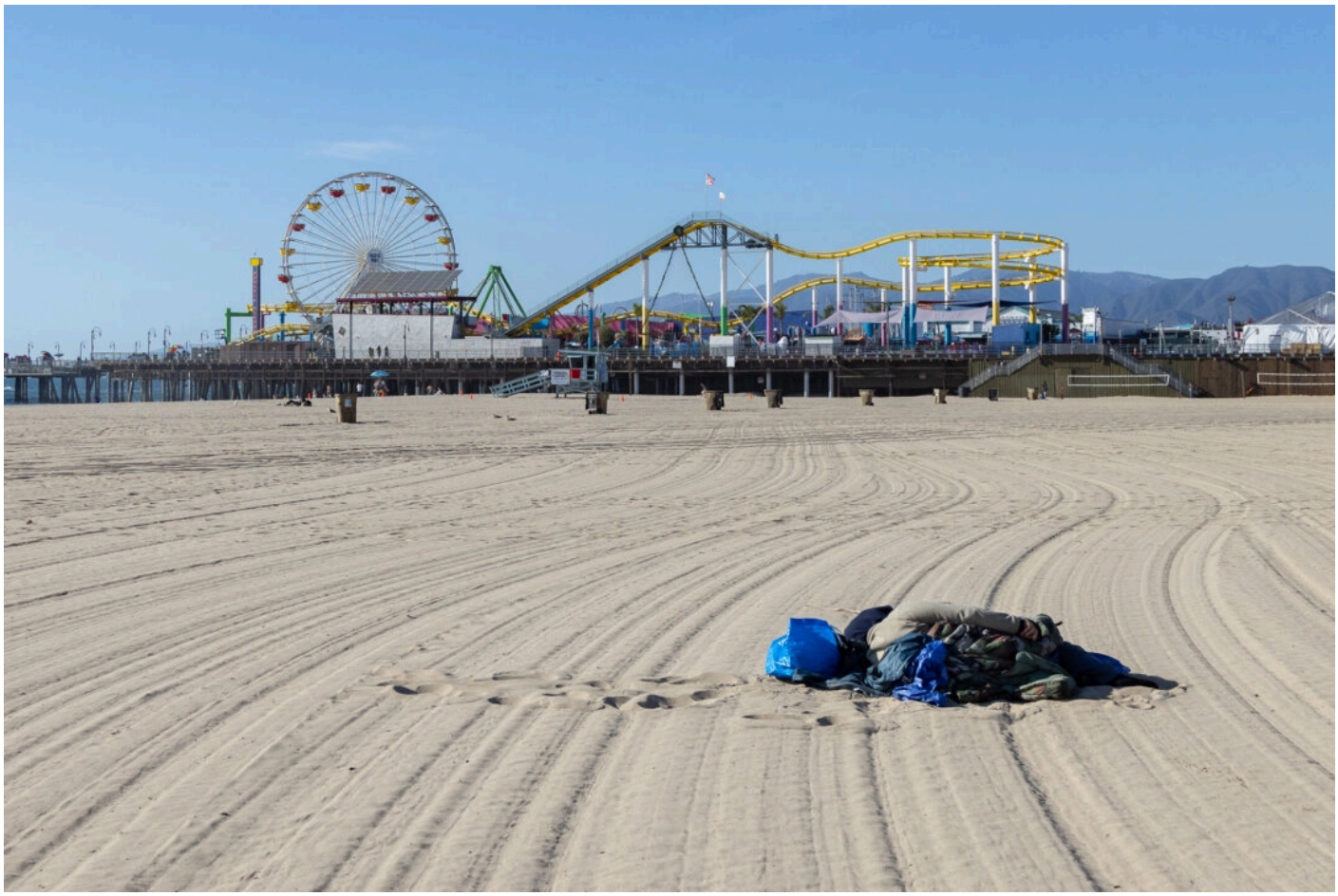
Calling Housing a Right Won't Solve the Supply Crisis



A homeless individual sleeps on the beach in Santa Monica, Calif., on Dec. 8, 2023. John Fredricks/The Epoch Times

OPINION

By Tyler Turman

1/2/2025 Updated: 1/2/2025

Commentary

"Million Dollar Murray" Barr was a homeless ex-marine loved by his community and well-known for his "wonderful smile" displaying many missing teeth. Murray was one of over 140,000 chronically homeless individuals in America today, according to the US Department of Health and Human services.

Through jail sentences, addiction treatment, and hospital bills, Murray racked up over a million dollars in taxpayer-funded housing over 10 years—more than almost anyone in Nevada.

The majority of people who are homeless or using the shelter system are there for a very short time. But that minority, chronically homeless, often drug-dependent and seriously ill, has reached its highest number since PIT counts began in 2007. Given the tremendous administrative costs of chronic homelessness, many policymakers from across the political spectrum have concluded that it's cheaper to simply move the Murray Barrs of the world into housing units rather than have taxpayers subsidize them living on the streets. This is Housing First, a proposed solution to America's homeless crisis.

Unlike "treatment first" programs, Housing First provides permanent, publicly funded housing without any preconditions, requirements, or "readiness" for housing, such as sobriety, employment, or even compliance with social services. Since Sam Tsemberis founded Pathways Housing First in 1992, Housing First has become the anti-homeless response officially endorsed by the federal government as the most equitable, just, and moral solution to homelessness in America. If someone says they know how to "end homelessness" or when cities publish "10-year plans to end homelessness," chances are they're talking about Housing First. The Biden-Harris Administration has become so thoroughly convinced of Housing First's efficacy that it launched the *All In* federal strategic plan in 2022 to reduce homelessness by 25 percent by 2025, with Housing First as the initiative's flagship. Advocates frequently laud Housing First's successes in places like Utah, New Orleans, or Houston as popular case studies supporting Permanent Housing programs and the Housing First model. The reality, however, is not that simple.

Utah's chronic homelessness reduction was the talk of the town nine years ago. Utah became a national model after media reports of a 91-percent drop in chronic homelessness ten years after implementing Housing First statewide. But economists have found changes in its counting methodology, rather than federal policy, were responsible for much of Utah's significant decrease in chronic homelessness. Even so, Utah's chronic homelessness rate has shot up 96 percent since 2016, a rate even higher than *before* Housing First was instituted. Utah's "success" due to erroneous data collection is not unique, either. In 2019, the Council of Economic Advisers found that inconsistent definitions and methodologies for homeless counts, rather than previous government policy, explain a large portion of the reported decline in homelessness from 2007 to 2018.

New Orleans achieved a similar 90 percent reduction in chronic homelessness over a 10-year period by 2019 after implementing the Housing First model. This reduction, however, happened after a 400 percent increase in homelessness due to Hurricane Katrina. In other words, how much of this decrease can be attributed to the city simply rebounding from the extreme conditions that followed a natural disaster rather than Housing First policies is unclear. But chronic homelessness in New Orleans has increased every year since 2021, and even in 2019, it only saw a one percent drop.

In 2011, Houston had one of the largest homeless populations in the country. The Way Home coordinated many of the city's departments, agencies, and nonprofits through the Coalition for the Homeless of Houston/Harris County, and implemented a Housing First Model through the HEARTH Act. Houston moved over 25,000 homeless people off the streets and into supportive housing in 10 years, cutting its homeless population by 63 percent. Unlike Utah or New Orleans, however, Houston has seen initial successes in combating homelessness, housing over 32,000 people as of 2024 and potentially reducing chronic homelessness (though data are difficult to compare).

What problem has Houston solved that other cities haven't? Simple: a shortage of affordable housing. As Glenn Bailey of the Salt Lake City food bank put it: "If you don't change the reasons people become

homeless in the first place, you're just going to have more people on the streets."

Not a single state has an adequate supply of affordable housing for the lowest-income renters, and experts estimate a shortage of 7.3 million affordable rental homes across the United States. Since 1970, housing prices have grown drastically. Rising costs have been brutal on the poor, disproportionately impacted by rising rents and the affordability crisis. Among potential reforms to increase the supply of housing, research points to reducing excessive land-use regulation. Some economists argue that zoning and similar regulatory hurdles to building should be abolished. Over 75 percent of the land in American cities is subject to zoning practices that exclusively permit single-family residences, inhibiting the production of duplexes, apartments, and multi-family housing facilities. Rising land-use regulations are associated with rising real home prices in 44 states and contribute to increasing housing unaffordability. The Council of Economic Advisers estimated that if just 11 of the largest metropolitan areas relaxed housing regulations, homelessness across the United States would drop by 13 percent.

Houston's model stands out among major U.S. cities for its free-market approach to housing. Unlike many other cities, Houston has no rent control policies, less public and subsidized housing than the other top five major U.S. metros, no land-based zoning laws, and some of the "least restrictive land-use regulations in the country." After implementing zoning reforms in 1998, Houston built over 25,000 townhouses. In just two years (2020–2022), Houston managed to house 3,180 people in its Rapid-Rehousing program with a $65 million budget. Among major cities, Houston's supply-driven reforms are far more efficient in addressing homelessness and housing affordability than the high-cost subsidy approaches.

The costs of Housing First policies can be high, but they may compare favorably to the kind of piecemeal care Murray Barr received. Literature on Permanent Housing and Housing First's positive health and housing outcomes for individual recipients is certainly nothing to scoff at. But declaring housing a human right will not address the root cause: insufficient supply. If the federal

government hopes to continue with a Housing First agenda, it must recognize that reducing regulation, zoning, and taxes on housing is the most efficient way to house more people.

Reducing regulatory barriers that stifle the supply of affordable housing is vital to preventing and addressing homelessness. Spending a million dollars in public services to treat someone like Murray for the conditions associated with homelessness is likely to be more expensive than just offering him a home. First, we have to make it affordable to build one.

From the American Institute for Economic Research (AIER)

Views expressed in this article are opinions of the author and do not necessarily reflect the views of The Epoch Times.

OPINION

Tyler Turman

Author