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## POLICY BACKGROUND

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# Trump's 2025 Executive Order on Homelessness: *Strategic Realignment of Federal Priorities*

## Overview

The July 2025 [Executive Order](#) reorients federal homelessness policy away from “housing first” orthodoxy and toward a performance-based model that emphasizes public safety, treatment access, and accountability. It is the first meaningful federal shift in two decades to allow for behavioral requirements in homelessness services—and to support encampment removal as a legitimate public policy tool. This EO does not create new programs or funding streams. Instead, it restructures how existing federal dollars are distributed and monitored, allowing state and local governments greater flexibility to implement evidence-based alternatives.

## Key Provisions and Their Policy Impacts

### Eliminates Housing First as a Preferred Framework

Previously, HUD's Continuum of Care Program and related federal grants gave formal preference to providers that rejected entry conditions such as sobriety, workforce training, or participation in services. The EO instructs federal agencies to remove that preference and restore parity among models that include conditional shelter access, structured programming, or participation requirements.

**Policy impact:** States can now pursue shelter-first or treatment-first models without penalty in the federal grant scoring process.

### Directs Agencies to Support Law Enforcement-Led Encampment Closure

Agencies must coordinate with local governments to provide assistance in clearing illegal encampments—particularly those near schools, parks, and transit corridors. This provision aligns with Cicero Institute research showing high concentrations of sex offenders and repeat violent offenders in unsheltered encampments.

**Policy impact:** Local leaders now have federal cover to enforce public camping bans without facing funding threats or civil rights litigation from federally funded intermediaries.

## Conditions Federal Homelessness Funding on Measurable Outcomes

The EO requires agencies to develop and apply performance metrics—such as reductions in recidivism, successful program exits, and treatment compliance—in grantmaking decisions. Ideological alignment is explicitly deprioritized.

**Policy impact: Grantees must now demonstrate impact with hard data, not just adherence to housing-first dogma.**

## Establishes Interagency Oversight and Audit Authority

A formal working group will coordinate audits of existing federal homelessness funding to identify programs that lack fiscal transparency or fail to achieve outcomes. The Office of Management and Budget is instructed to review current homelessness-related spending for duplication, waste, and inefficacy.

**Policy impact: Opens the door to federal defunding of underperforming or noncompliant NGOs.**

## Affirms States' Legal Authority to Act

Language in the EO reinforces state rights to enforce local ordinances, remove encampments, and attach conditions to services without running afoul of federal guidance. The EO positions itself as a shield against legal action by third-party advocacy groups.

**Policy impact: Strengthens state litigation posture and discourages federal intervention on behalf of activist lawsuits.**

## Why This Matters Now

The federal government has not reexamined its homelessness posture since the Obama-era push for “housing first.” During that time, homelessness increased, addiction deaths surged, and encampments became entrenched. This EO rebalances federal priorities: it elevates treatment and enforcement, lowers the compliance burden on state-led programs, and incentivizes actual results.