PROFILE · ASHEVILLE, NC

The *92 Percent* Who Stayed

The national research says Housing First works when the services are funded. Homeward Bound of WNC is what that looks like on the ground in Asheville.

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Sources & notes (29 linked documents) · PDF version

In this piece

6 sections

The organization
The model
The success rate
What's at stake
The building
The whole system

In **What Housing First Can and Cannot Do**, we review the national evidence on **Housing First** and reach a careful conclusion: the model reliably ends homelessness for most of the people it houses. Every trial behind that conclusion tested housing paired with support services, not housing alone.

So the fair way to test the model is to look at an organization that funds the services and keeps track of its results. In Asheville that organization is Homeward Bound of WNC. Of the people in its **permanent supportive housing**, 92 percent stayed housed in 2025.

THE ORGANIZATION

Asheville's *long-running answer* to homelessness

Homeward Bound has worked on homelessness in Western North Carolina since 1987. It uses the Housing First approach. The idea is the one the research backs up: move people into permanent housing as quickly as possible, without requiring sobriety or treatment first, and then keep supporting them.

Since 2006, Homeward Bound has placed more than 2,760 people into housing. In 2025 alone, 102 people left homelessness through its programs. What they got wasn't a shelter bed or a night off the street. It was a lease.

1987	**2,760+**	**102**
Working on WNC homelessness since	People housed since 2006	People who left homelessness in 2025

THE MODEL

What permanent supportive housing *actually is*

Permanent supportive housing, or PSH, is the kind of Housing First that comes with the most help. Homeward Bound's program is built for people who meet the federal test for **chronic homelessness**. That test already requires a disabling condition, so the disability is part of the definition itself. Homeward Bound says the people in this program typically need a higher level of care because of how long they've been homeless and their long-term health conditions, including physical disabilities, mental illness and substance use disorders. The staircase model, which requires sobriety and treatment before a person gets permanent housing, failed these people most of all.

PSH pairs a permanent home with services that have no time limit: case management, connections to health care and treatment, and help keeping the home through setbacks that used to cost people their housing. Sobriety is not a condition of getting a home, and treatment is encouraged rather than required. But meeting with a caseworker is different: Homeward Bound told Asheville Watchdog in November 2025 that regular meetings are required to stay in the program. The staff weigh each resident's situation and match the services to what that person actually needs. This is the funded version of Housing First, the one the national evidence supports, and it's where the 92 percent comes from.

THE SUCCESS RATE

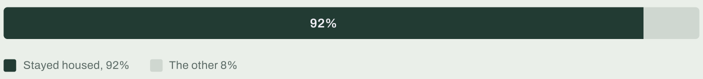
Ninety-two percent stayed housed

In 2025, 92 percent of the people in Homeward Bound's permanent supportive housing stayed housed, by the organization's own reporting.

The 92 percent covers one year, so it doesn't line up exactly with the Housing First trials, which followed people for two years. But it points the same way. In the original New York trial, roughly four in five of the people in the Housing First group stayed housed.

PERMANENT SUPPORTIVE HOUSING, 2025

Share of PSH residents who stayed housed



Homeward Bound's own numbers for 2025.

WHAT'S AT STAKE

Money behind that number is *at risk*

For most of Homeward Bound's history the federal money for permanent supportive housing was steady. That changed in 2025. The federal government turned against Housing First and began redirecting the **Continuum of Care** program, the main homelessness grant, away from permanent housing and toward shorter-term options and treatment.

Of the area's roughly $2 million in Continuum of Care money, about $1.8 million funds permanent housing. Homeward Bound's permanent supportive housing gets the biggest single share, about $1.4 million. That money pays roughly $14,000 a household for a year of rent, case management, and counseling. In November 2025 it went to 102 households at Homeward Bound's small Key Commons building and in private rentals across the county. The people in those households are counted in the 92 percent. Those 102 households are a separate count from the 102 people who left homelessness in 2025. Homeward Bound's largest building, Compass Point Village, is paid for from a different source.

One early rule in the federal shift would have capped funding and, by a city official's estimate, cut the area's permanent-housing programs to at most $568,000. HUD, the federal housing department, withdrew that rule in December 2025 and put out a new version that kept the cap. A federal court threw out both on June 29, 2026.

The immediate risk is the 2026 grant competition run by HUD. The competition's first tier, the projects HUD selects first, is worth only 60 percent of the money each community needs to renew its grants. That 60 percent is the minimum Congress set: HUD must select projects worth at least that share, in the order each community ranks them. The same ranking determines which projects, new or renewing, go in that tier. Each project placed there must still pass HUD's eligibility checks. The competition also sets aside $1.3 billion for new projects, with priority for **transitional housing** and service-only projects. It awards points for providing treatment and for requiring people to take part in services.

On August 7, 2026, a federal court threw out HUD's funding notice for that competition. The August ruling rested on one claim: that HUD had to take public comment before setting aside the $1.3 billion. HUD went to the appeals court, which put the ruling on hold, and HUD reopened the competition on September 18, 2026. The side that sued then offered to drop that claim and asked the appeals court to throw out the August ruling. It did. Applications closed on September 30, 2026. For the full story, read **Strings Attached**.

Congress set the 60 percent minimum, so it holds whatever the courts decide next. But the $1.4 million is not out of danger. The 92 percent came from a program that houses people first, not one that makes them earn a home. Cut off the money for that kind of program and the model breaks.

The local ranking is now public. By the September 30, 2026 deadline, the Asheville-Buncombe Continuum of Care, the local group that ranks the area's projects, submitted its application for the 2026 competition. That application would end two of Homeward Bound's four supportive-housing grants, worth about $397,000 a year, and move that money to new transitional housing. The other two would stay, trimmed by about $48,500 in all so they fit the first tier. That would leave about $987,000 a year for Homeward Bound's supportive housing, down from the $1.43 million it would take to renew all four.

The Continuum said it based the cuts on project scores, its board's priorities for the first tier, and HUD's priorities in the notice. Those board priorities included keeping existing supportive housing for highly vulnerable people. The Continuum also said the two grants it would end were the lowest-scoring supportive-housing projects submitted. HUD has until December 1 to make awards, and the court cases are still open.

Not all of the organization's funding is at risk. Its veterans' work, funded through the Department of Veterans Affairs, sits outside this fight. One option for the programs at risk is to add county and opioid-settlement money, which in North Carolina can pay for recovery-oriented housing and the services that go with it. For the model to hold, the home itself can't depend on treatment or sobriety. Done that way, it's the same model, a home and help, paid for from more than one source so the 92 percent doesn't fall when the federal money does.

$1.4M

Homeward Bound's supportive housing, the biggest local share of Continuum of Care money

60%

First tier of the 2026 competition, as a share of the money each community needs to renew its grants. The local ranking determines which projects fill it. Congress set this minimum, and it holds whatever the courts decide

~$14K

Grant money per household, per year: rent, case management, counseling

THE BUILDING

Compass Point Village and Tunnel Road

The most visible piece of this work is Compass Point Village, a former Tunnel Road motel turned into 85 apartments of permanent supportive housing for $17.5 million. The building opened in September 2023. In June 2026, it had very few empty rooms. Compass Point is also where the local version of the national debate over crime and disorder played out. A separate group, Sunrise Community for Recovery and Wellness, started a recovery drop-in center next door the year after Compass Point opened. Reported crime along that stretch of Tunnel Road then rose. In May 2026, Asheville police compared 2022 and 2023 with the two years after and counted reports of assaults up 63 percent and trespassing up 118 percent.

Those problems are real. Homeward Bound and Sunrise say what's happening on Tunnel Road also comes from a countywide rise in **unsheltered** homelessness, driven mainly by housing costs. And inside the building, people who had once been chronically homeless stayed housed. In a June 2026 Asheville Watchdog story, Homeward Bound said 94 percent of the people who had moved in since January 2026 were still there. Since the building opened, only six residents have moved on to more independent living. Two hard years for a neighborhood don't mean the model failed.

The crime numbers as a whole started to fall only recently. In 2026 the police put more officers on that stretch of Tunnel Road. A department spokesperson said in the same Asheville Watchdog story that the overall rate of reported crimes there had fallen 12 percent, but that property crimes had gone up. The police credit their own enforcement for the overall drop. Early in 2026, neighbors began forming the Tunnel Road Corridor Coalition, a group of homeowners and business people, to fight the rise in reported crime since Compass Point and the drop-in center opened.

The neighbors also point to human waste, and they say they've stopped people from setting up encampments. On a bigger scale, the neighbors' concerns are the same ones a July 2025 executive order was named for: "Ending Crime and Disorder on America's Streets." Asheville has had its own small version of the argument now driving federal policy. The people who stayed housed at Compass Point are the part that argument leaves out.

85

Apartments at Compass Point

$17.5M

Cost of the motel-to-housing conversion

2023

Opened in September, with move-ins planned in waves

THE WHOLE SYSTEM

More than one program

Permanent supportive housing is only part of the story. It's built for the smaller group of people with the greatest needs, and most homelessness calls for lighter, faster help. Homeward Bound does both, and that's what a working local system looks like.

Permanent supportive housing

Permanent housing **PLUS** services for people who meet the federal test for chronic homelessness, which already requires a disabling condition. The 92 percent comes from this program.

Rapid Re-Housing

Shorter-term rental assistance and case management, meant to help individuals and families find housing quickly, get back on their feet, and become better able to keep that housing on their own.

Veterans and prevention

Supportive Services for Veteran Families, plus prevention for households on the edge of losing their housing.

Day center and furniture

The AHOPE day center had 25,568 interactions with 1,660 people in 2025, and the Welcome Home Donation Center furnishes empty apartments.

> *A furnished home is part of the model, not an extra. In 2025, the Welcome Home Donation Center furnished 122 homes with $143,656 worth of community donations.*

THE TAKEAWAY

The argument is national. The *test* is local.

The national debate is about whether Housing First works. Asheville has something more useful than an answer on paper: an organization, founded in 1987, that runs the model with funded services. It has placed more than 2,760 people into housing since 2006, and in 2025, 92 percent of its permanent supportive housing residents stayed housed. That fits what the research found when the services were provided. The job now isn't to argue over the model again. It's to fund the services and build the housing, so the number holds and the next person on Tunnel Road gets a lease instead of a tent.

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Strings Attached

What Housing First Can and Cannot Do

The Count Is Rising. The Money Is Already Here.

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Sources & notes, and any corrections, are with the piece online: **www.stepupavl.org/files/homeward-bound-housing-first**