

## Transitional Housing Overview

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Continuum of Care (CoC)-funded transitional housing (TH) provides time-limited residential support (generally up to 24 months) to individuals and families experiencing homelessness. TH programs pair housing with comprehensive supportive services, serving as a stepping stone toward permanent housing stability. This model is particularly well-suited for populations with complex service needs (including youth, domestic violence survivors, and individuals navigating substance use challenges) who may face significant obstacles securing permanent housing through traditional emergency shelter pathways alone. TH can also help overcome common barriers to housing placement by covering move-in costs such as furniture, utilities, and other initial expenses.

### Program Requirements

Participants in a TH project must have a signed lease, sublease, or occupancy agreement with the following requirements:

- An initial term of at least one month
- Automatically renewable upon expiration, except by prior notice by either party
- A maximum term of 24 months

### Participant Eligibility

Eligibility is limited to individuals and families experiencing literal homelessness, at imminent risk of homelessness (within 14 days) with no alternative housing identified, or fleeing/attempting to flee domestic violence (HUD homeless categories 1, 2, and 4). There is no requirement that participants be unsheltered or chronically homeless. Under specific circumstances, people currently residing in permanent housing that will have funding non-renewed may be eligible for transitional housing under category 2.

### Eligible Costs

See the links for the full list of eligible costs by category:

[Leasing](#): Rent for units or buildings, leased directly to the org recipient (sub-lease or occupancy agreement with participants)

[Rental Assistance](#): Must be administered by a PHA. (see additional detail in *Additional Considerations*)

[Operating Costs](#): Utilities, maintenance, furniture, insurance, and other facility-related expenses. Includes utilities not included in the lease.

[Supportive Services](#): Case management, education services, mental health services, substance use treatment, employment assistance, food, and life skills training

[HMIS](#): Costs related to contributing data to the Homeless Management Information System (see the HMIS Guidance section of our [Application Instructions](#))

Administration: Limited to 10% of the total grant for administrative expenses

**Note:** CoC programs have a 25% matching-funds requirement, except for funds under the leasing budget line.

## Additional Considerations

- In order to use rental assistance funds under TH, a non-profit must enter into a contract or subrecipient agreement with a unit of local government, state government, or a public housing authority to administer the rental assistance. This limitation is based on a recent HUD clarification of the CoC statute. Given this limitation, the Rhode Island CoC recommends that non-profits applying for TH apply for leasing funds instead of rental assistance.
- For more information regarding the leasing budget line and how it differs from rental assistance, see [Leasing vs. Rental Assistance](#).
  - For more information regarding the leasing, rental assistance, and operations budget lines, see [CoC Program Paying for Housing Units Leasing, Operating, and Rental Assistance - YouTube](#)
- Applicants may seek funding to add units and/or enhance services in existing programs not currently receiving CoC funds (but should avoid supplantation of city or state funding sources).
- TH projects using leasing funds have the ability to sign one-year leases and pay the costs of the entire lease term with grant funds, enabling the project to hold vacant units while identifying new participants (similar to PSH).
- Positive housing outcomes upon exit from TH include permanent housing destinations but **not** emergency shelter.
- Unless HUD changes its policies, TH projects may not be eligible for cost-of-living increases through future grant renewals.

## Transitioning from PSH/RRH to TH

HUD recently released [guidance](#) clarifying when participants currently residing in CoC-funded Permanent Supportive Housing (PSH) or Rapid Rehousing (RRH) are eligible to move into CoC-funded Transitional Housing (TH). The document linked above explains that participants qualify for TH if, at the time of TH intake, they meet HUD's Category 2 definition of homelessness (imminent loss of housing) or Category 4 definition (fleeing or attempting to flee domestic violence).

In simple terms, this means that participants living in PSH or RRH projects that are transitioned to TH during the 2026 CoC Competition who have no subsequent residence identified and no other resources/support networks to obtain other permanent housing are eligible to remain

served through the new TH project. The TH provider must document at intake that the household meets the applicable HUD homelessness criteria.

### Comparison to Rapid Rehousing (RRH)

	TH	RRH
<b>Duration</b>	Up to 24 months	Typically up to 24 months
<b>Housing type</b>	Program controls units (either scattered or congregate)	Program identifies apartments in the community, does not maintain an “inventory” of units.
<b>Service intensity</b>	High-touch, structured support. 20 hours of service participation per week will be required for each client.	Lighter touch, housing-focused.
<b>Lease requirements</b>	Leased by the recipient, with participant sublease or occupancy agreement	Requires a 12-month initial lease in the participant’s name
<b>Use of rental assistance BLI</b>	Only allowed if administered by PHA—cannot be administered directly by nonprofit recipient	Required under the RRH model
<b>Operating costs</b>	Allowable	Not allowable
<b>Participant rent</b>	Program may choose to charge rent, if so cannot exceed 30% of adjusted gross income	Rent charges are based on local CoC’s written standards – participant rent payment is intended to increase and subsidy decrease during participation

### More Information

- Eligible cost details: [CoC Interim Rule](#)
- [HUD Homelessness Categories](#)
- [Grant Timeliness Requirements](#)