



Overview:
CoC Transitional Housing
(Updated 11.6.25)

Continuum of Care (CoC)-funded transitional housing (TH) provides time-limited housing (typically up to 24 months) for individuals and families experiencing homelessness. TH includes robust supportive services and is designed as a bridge to permanent housing. TH can be effective for populations with higher service needs (youth, survivors of domestic violence, substance use, etc.) that might struggle to access permanent housing options if limited to traditional emergency shelter. It can assist those with high barriers to housing placement and facilitate the placement by covering furniture, utilities, and related initial housing costs.

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), 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.

Eligible Costs

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

Capital: Acquisition, rehabilitation and new construction

Leasing: Rent for units or buildings—grantee must pay full rent directly to owner. Can be used in a “master leasing” model.

Rental Assistance: Either sponsor-based, project-based, or tenant-based

Operating Costs: Utilities, maintenance, furniture, insurance, and other facility-related expenses

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

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

Note: CoC programs have a 25% matching funds requirement, with the exception of leasing funds

Additional Considerations

- 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.
- Allowable forms of housing assistance under TH include leasing, tenant-based rental assistance, project-based rental assistance and sponsor-based rental assistance. Each has its own flexibilities and limitations. For more information, see [Leasing vs. Rental Assistance](#).
- Unless HUD changes its policies, TH projects may not be eligible for cost of living increases through future grant renewals.

Comparison to Rapid Rehousing (RRH)

	TH	RRH
Duration	Up to 24 months	Typically up to 24 months
Housing type	Program controls units (either scattered or congregate)	Program identifies apartments in the community, does not maintain an “inventory” of units
Service intensity	High-touch, structured support	Lighter touch, housing-focused
Lease requirements	Allows for lease, sublease, or occupancy agreement	Requires 12-month initial lease in participant’s name
Operating costs	Allowable	Not allowable



Capital costs	Allowable	Not allowable
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More Information

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