KCRHA
King County Regional Homelessness Authority

Transitional Housing Deep Dive

December 19, 2025

Agenda

- What Is Transitional Housing
- Core CoC & Program Requirements
- Eligible Activities & Cost Structures
- Match, Documentation, & Policies
- HMIS & Coordinated Entry
- Reporting Requirements, Performance Expectations & Monitoring

What is Transitional Housing?

- Temporary housing with supportive services for people experiencing homelessness
- **Goal:** interim stability & support to transition into permanent housing
- TH may provide housing & services for up to 24 months

Regulation

- 24 CFR 578.79: Participants may stay longer than 24 months if permanent housing is not yet available or more time is needed for independent living
- HUD may discontinue assistance if **>50% remain longer than 24 months**

General CoC Requirements

- Ongoing assessment of supportive services (with at least an annual assessment of the participants service needs)
- Provide for the participation of persons with lived experience in the organizations policymaking entity (such as a board or other)
- Provide for opportunities for homeless and formerly homeless individuals and families to participate in employment and/or volunteer services
- Follow HUD rules on Fair Housing and Equal Access
- Ensure termination of assistance policies meet CoC Due Process requirements

Requirements for Program Design & Structure

- HUD expects TH programs to:
  - Use a housing-focused model with rapid exits to permanent housing
  - Programs may require participants to take part in supportive services that are **not related to a disability** as a condition of participation.
  - Demonstrate low average length of stay and high PH exit rates
  - Use a progressive engagement approach for services

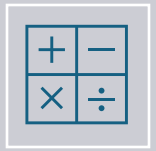
These expectations are operational, but HUD monitors them.

Participant-Centered Program Design

Developing a successful transitional housing program

Transitional Housing Requirements

Participants must sign a lease, sublease, or occupancy agreement of at least 1 month & renewable up to 24 months.



Not required to impose occupancy charge, but if imposed must not exceed the higher of 30% of their adjust income or 10% of gross monthly income.

Units funded with CoC dollars must participate in Coordinated Entry and enter data in HMIS.

Participant Eligibility & Housing Terms

Eligibility

- Participants must meet literal homelessness
- Time in TH pauses chronic homelessness status

Housing Agreements

- Participants must sign a lease/sublease/occupancy agreement with:
  - Initial term ≥ 1 month
  - Automatic renewal unless either party gives notice
  - Maximum term: 24 months

Supportive Services Requirements

Provide	Provide – or partner with another provider – to offer services such as job training, employment, life skills that help participants obtain and maintain housing.
Tailor	Tailor services to participant needs; may require participation in non-disability-related services (e.g., substance use treatment).
Offer up	Offer up to 6 months of post-exit services to support the transition to independent living. (24 CFR 578.53(b)(3))
Connect	Use mainstream/public resources such as Medicaid, SSI, SNAP.

Enrollment Continuity

If a participant leaves for <180 days (e.g., hospital, jail), they can **maintain program enrollment**.

If absent more than than 180 days, you need documentation and justification.

Termination & Due Process (24 CFR 578.91)

- Programs must have **written termination procedures**, including:
  - Written notice of reasons for termination
  - Opportunity to appeal or request a hearing
  - Right to present evidence and bring representation
  - Written final decision
- Termination must be a **last resort**, and participants must have access to shelter while appealing if possible.
- Cannot immediately evict without due process unless safety is at issue.
- ***This is a major compliance risk area.***

Housing & Property Compliance

Habitability & Property Requirements

Habitability Standards vs. HQS

- **Transitional Housing must meet Habitability Standards** (24 CFR 578.75(b))
  - Applies to any TH unit, whether leased or owned
  - Habitability is not the same as Housing Quality Standards (HQS)
  - HQS applies only when rental assistance is used (rare for TH)
- **Key Habitability Elements:**
  - Sanitary facilities
  - Food preparation / refuse disposal
  - Space and security
  - Heating / cooling
  - Illumination / electricity
  - Fire safety
  - Lead-based paint compliance

Lead-Based Paint Requirements

- **Required for all TH serving:**
  - Children under 6
  - Pregnant people
- **Requirements:**
  - Visual assessment at initial occupancy and annually
  - Lead hazard reduction if hazards found
  - Applies to any unit built before 1978
  - Document assessments + remediation
- *This is one of HUD's most common monitoring findings.*

Environmental Review

- Before using any CoC funds, TH must have an Environmental Review (24 CFR 58).
- Required for:
  - New buildings or new sites
  - Leasing a building for TH
  - Must be completed **before** signing leases or obligating funds
- Performed by the Responsible Entity (local government) or HUD

Key Compliance Notes

- Maintain reasonable cost per household
- TH must adhere to all HQS, habitability, and lease requirements
- Ensure services and housing activities are clearly documented
- Monitor length of stay to avoid >50% exceeding 24 months

Eligible Activities and Costs

Budget development for Transitional Housing

Eligible Costs for Transitional Housing

- Leasing
- Rental Assistance
- Operating
- Supportive Services
- HMIS
- Admin

Eligible Costs - Leasing

Agency payments of rent for units or structures

Security deposits (up to **2 months**)

First/last month's rent (one month each)

Staff costs for leasing activities (Habitability inspections, landlord payments)

Payments for unoccupied units between participants

Eligible Costs - Rental Assistance

Resident Rent & Rental Assistance Costs

- First and last month's rent
- Security deposits (up to 2 months' rent)
- Property damages (up to 1 month, one-time per participant per unit)
- Vacancy payments (up to 30 days)
- Staff and overhead costs directly related to rental assistance activities
  - Examples: intake process, HQS inspections, writing rent checks

A project cannot pay for short-term rental assistance when a participant is exiting the transitional housing.

Leasing v. Rental Assistance

If using Leasing:

- Programs may charge an occupancy fee but not required.
- Lease in agency name.

If using Rental Assistance:

- Participants must pay a portion of the rent.
- Can be Tenant-Based Rental assistance or Sponsor/Project-Based.

Programs should opt for one method or the other.

Eligible Costs - Operating

Costs associated with the day-to-day physical operation of housing in which program participants are housed.

Grant may also fund staff and overhead costs directly related to carry out these activities,

- Maintenance and Repair of Housing
- Building Security
- Electricity, gas & water
- Furniture
- Equipment

Eligible Costs - Supportive Services

Services must assist program participants to *obtain and maintain housing.*

Grant funds may be used only for services listed in the CoC Program Interim Rule.

Eligible costs include:

- Direct provision of services
- Cost of labor, supplies, and materials
- Salaries and benefits for staff delivering services

Eligible Costs - Supportive Services

In general, grant funds may be used only on those services listed in the CoC Program Interim Rule:

- Assessing service needs
- Moving costs
- Case management
- Childcare
- Education services
- Employment assistance & job training
- Food
- Housing search & counseling services
- Legal services
- Life skills training
- Mental health services
- Outpatient health services
- Outreach services
- Substance abuse treatment services
- Transportation
- Utility deposits

Eligible Costs – Project Administration

- Eligible Activity under All Program Components
- Up to 10 percent of the grant awarded
  - KCRHA holds 5% to cover administrative responsibilities
- Project administration funds can be used to conduct:
  - General management, oversight & coordination
  - Training on CoC requirements
  - Reporting

NOTE: Administration costs that include staff and overhead costs **directly related to carrying out other eligible activities under the CoC Program** (e.g., Leasing, Rental Assistance, Supportive Services) **should be charged to those budget line items.**

Cost Restrictions & Match

Restrictions & Prohibitions

GRANT MAY NOT FUND:

- Rental assistance and operating in the same unit
- Emergency shelter or supportive services-only facilities
- Maintenance and repair costs that are included in the lease

Cannot combine within a single unit/structure:

- Rental assistance + leasing
- Rental assistance + operating (24 CFR 578.87(c))

Program Fees

- Programs may NOT charge participant fees (578.87(d))
  - I.E. Application fee, participation fee

Rent & Occupancy Charges

- Participants receiving rental assistance must pay rent
  - Refer to Section 5.609, 5.611(a) and 24 CFR 578.77 for income + rent calculation
- Costs must be reasonable (2 CFR 200.404)
- Leasing costs are *exempt* from match requirements
- Rent/occupancy charges = program income and may be reserved to help participants move to permanent housing

CoC Match Requirements

- CoC projects generally require a **25% match** from non-federal funds (§ 578.73).
  - Cash or in-kind is allowed
- Match may only be applied to CoC-eligible program costs.
  - If a cost is not CoC-eligible, it cannot count as match.
- Match does not need to align to a specific HUD budget line item, but must support eligible activities.

Internal Controls:

- Written policies and procedures must describe how match is identified, applied, and tracked

HUD Rules: HMIS & Coordinated Entry

Standing Federal Regulations Apply!

Equal Access Rule

- All TH programs must comply with the HUD Equal Access Rule (24 CFR 5.105(a)(2)):
  - Access regardless of sexual orientation, gender identity, or marital status
  - Participants placed according to gender identity, not sex assigned at birth
  - Applies to congregate and shared TH settings
- Programs must have policies and staff training.

HMIS & Coordinated Entry

All TH programs must:

- Enter data into HMIS within CoC timeliness standards
- Collect all Universal Data Elements + Program-Specific Elements (DV participants are de-identified)
- Participate in Coordinated Entry (separate system for DV programs):
  - Accept referrals from CE
  - Follow prioritization rules
  - Document CE compliance

HMIS and CE compliance are frequent monitoring issues.

HMIS Participation (24 CFR 578)

HMIS Participation
- All CoC-funded projects must participate in HMIS unless prohibited.
- Participation supports federal reporting, system planning, and performance measurement.

Required Data Collection
- Data must follow HUD, State & local HMIS Data Standards.
- Universal Data Elements required for all participants.
- Program-Specific Data Elements based on project type (PH, TH, RRH, SSO, CE).

Timeliness & Data Quality
- Project entry, updates, and exits entered within required timeframes.
- Expectations include completeness, accuracy, and consistency.

Privacy, Security & Confidentiality
- Must follow HMIS Privacy & Security Standards
- Secure user access, privacy notices, and proper record handling required.

Eligible HMIS Costs
- HMIS participation costs are CoC-eligible
- Costs must be reasonable, documented, and tied to program operations.

Effective HMIS Practices

Timely Data Entry

- Project entries, updates, and exits entered within required timeframes.

Complete & Accurate Records

- Consistent across enrollment, updates, exits and inventory records.

Coordinated Entry

- Assessments, referrals, and outcomes entered consistently in HMIS
  Privacy & Security Compliance – Secure user access, proper handling of records, follow all privacy and security protocols. Attend all required and annual trainings.

Responsive During Federal Reporting Season

- Providers submit requested data promptly, support APR, PIT, HIC, SPM, LSA, and CoC submissions.

Common HMIS Pitfalls

Delayed Data Entry	Entries or exits recorded long after participant departure.
Missing or Inconsistent Data	Overuse of “Data Not Collected” or inconsistent data collection practices.
Privacy & Security Risks	Shared logins, outdated access, or storing HMIS data outside approved systems.
Reporting Impacts	Poor HMIS data affects APR accuracy, system performance measures, renewal scoring, and HUD monitoring outcomes.

Confidentiality Requirements

- Under 578.103, VAWA, and HMIS rules:
  - No public posting of identifiable information
  - Secure storage of paper and electronic records
  - Written confidentiality protocols
  - Emergency transfer plan required under VAWA (even if not a DV-focused project)

Coordinated Entry Requirements

CoC Projects must:

- Publish written standards for household eligibility and screening
- Communicate project vacancies, including bed/unit-specific information to the Coordinating Entity
- Enroll only those households referred according to the CoC's designated referral process
- Commit to participate in the Coordinating Entity's planning and management activities as established by CoC leadership

Program Policies, & Documentation

Requirements at the agency and program-level

Overview of Required Policies

CoC projects must have policies and procedures for:

- ❑ Project intake and eligibility
- ❑ HMIS
- ❑ Project requirements
- ❑ Termination policy
- ❑ Participant file recordkeeping
  - ❑ Eligibility, occupancy agreements and/or leases, HQS inspections, rent calculation and income documentation, lead-safe paint, services provided, assessment of services, proof of due process if terminated
- ❑ Eligible costs and maintaining supporting documentation
- ❑ CoC Match tracking

Creating Policies and Procedures

- Ensure consistency and fairness
- Meet regulatory requirements
- Two lanes:
  - Overall organization operations
  - Program operations, including participant documentation and recordkeeping

Program Documentation Requirements

- Homelessness status (578.103)
- Disability status (if applicable)
- Income and rent/occupancy fee calculation documentation
- Termination of assistance
- Case plans + services provided
- Habitability inspections
- Lead-based paint evaluation

Record Keeping

- Check the requirements (578.103)!
- Covers documentation requirements for:
  - Homelessness Eligibility
  - Emergency Transfers for participants fleeing DV
  - Income Documentation
  - Housing Standards
  - Service Assessments
  - Match
  - Confidentiality
  - Record Retention

§ 578.103 Recordkeeping requirements.

(a) *In general.* The recipient and its subrecipients must establish and maintain standard operating procedures for ensuring that Continuum of Care program funds are used in accordance with the requirements of this part and must establish and maintain sufficient records to enable HUD to determine whether the recipient and its subrecipients are meeting the requirements of this part, including:

(1) *Continuum of Care records.* Each collaborative applicant must keep the following documentation related to establishing and operating a Continuum of Care:

(i) Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);

(ii) Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every 5 years, evidence required for designating a single HMIS for the Continuum, and monitoring reports of recipients and subrecipients;

(iii) Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.

(2) *Unified funding agency records.* UFAs that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.

(3) *Homeless status.* Acceptable evidence of the homeless as status is set forth in 24 CFR 576.500(b).

Performance & Reporting Requirements

What KCRHA and HUD will look for

Performance Expectations

- HUD/KCRHA monitors:
  - Length of stay (target below 24 months)
  - Rate of exit to permanent housing
  - Returns to homelessness (within 6–24 months)
  - Utilization (bed/unit occupancy)
  - Service engagement and case plan documentation
- These influence CoC ranking + renewal scoring.

CoC Annual Performance Report

Purpose

- Tracks program outcomes, effectiveness, and compliance for CoC-funded projects
- Demonstrates progress toward goals and informs funding decisions

Key Components

- Program Outcomes: Housing stability, exits to permanent housing, length of stay, income/employment changes, returns to homelessness
- Services Provided: Case management, supportive services, skill development, healthcare access
- Housing Inventory: Units available, utilization, vacancy rates

Reporting Requirements

- Frequency: Annually
- Metrics: HUD CoC Performance Measures
- Data Quality: Accurate, verifiable records required

Uses of APR Data

- Program Monitoring: Identify strengths and improvement areas
- Funding Decisions: Guide HUD renewal and reallocation
- System Planning: Assess community-wide homelessness trends

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Common Compliance Pitfalls

- Length of stay exceeds 24 months (over 50% of participants)
- Missing or incomplete termination & due process documentation
- Improper use or tracking of program income
- Charging prohibited program or participant fees
- Habitability standards not met or not documented
- Lead-based paint assessments missing or outdated
- Environmental review completed after funds were obligated
- Combining rental assistance with leasing or operating in the same unit
- Insufficient documentation of supportive services and assessments
- HMIS, Equal Access, or confidentiality policy noncompliance

Additional Resources

- CoC Leasing and Rental Assistance Requirements Overview
- Virtual Binder: At-a-Glance Leasing
- Virtual Binder: At-a-Glance Operating Costs
- Virtual Binder: At-a-Glance Rental Assistance
- Virtual Binder: At-a-Glance Supportive Services
- CoC Eligible Activities Overview
- HMIS Bitfocus Website
- HMIS: Clarity General Training
- HMIS Privacy & Security Training
- HMIS Program Set Up/Change Request Form
- Coordinated Entry Trainings
- CE Assessor Manual

Questions?

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KCRHA

King County Regional Homelessness Authority

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