

Monterey and San Benito County CoC

FY26 CoC NOFO - Transitional Housing FAQ

1. What funding line items can a CoC Transitional Housing Project use and in what circumstances?

Supportive Services, HMIS, and Administration – All applicants can seek funding for the supportive services, HMIS, and administration line items in their CoC grants.

- Supportive Services funding can be used for expenses outlined here:

<https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/supportive-services/>

- HMIS funding can be used for expenses outlined here:

<https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/hmis/>

- Administration is limited to no more than 10% of the grant and can be used for expenses outlined here:

<https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/project-administration/>

Leasing – Any TH applicant can seek leasing funds to lease a structure, a portion of a structure, or individual housing units. The lease for the units would be between the provider and the landlord, and the provider would then have a sublease or occupancy agreement with the participant. Leasing funds cannot be used on a building that the provider owns.

- More information can be found here: <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/leasing/> and <https://www.hudexchange.info/faqs/1655/when-can-lease-funds-be-used/>

Operating – Any TH applicant can seek operating funds for their project. Operating funds can be used for costs of maintenance and repair of housing that is not covered by the lease, property taxes or insurance, operating reserves, etc. Applicants may seek a combination of operating funds and leasing funds for a project (which can be useful for maintenance and repair to support unit upkeep and mitigate issues related to property damage or other issues). Applicants may also only seek operating funds if they own a building or have other means to cover the unit rent/lease expenses.

- More information can be found here: <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/operating-c>

Rental Assistance – Only certain eligible applicants can administer rental assistance in a TH project, including a State, a unit of general local government, or a public housing agency. Projects seeking rental assistance must include an eligible administrator directly involved in administering the rental assistance. Rental Assistance funds cannot be combined with leasing funds nor operating funds. These projects can include partnerships between nonprofits and eligible rental assistance administrators.

- More information on rental assistance can be found here:

<https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-eligible-activities/coc-rental-assistance/>

- 24 CFR 578.51(b) Rental Assistance administration regulation:

[https://www.ecfr.gov/current/title-24/part-578#p-578.51\(b\)](https://www.ecfr.gov/current/title-24/part-578#p-578.51(b))

2. What if I own the building that I want to use for Transitional Housing – what funding can I use to cover the costs?

If you own the building you intend for people to reside in while in the TH program, then you could seek any combination of Supportive Services, HMIS, Administration, and Operating expenses.