FY 2026 NOFO

CONTINUUM OF CARE COMPETITION

FY26 NOFO CLARIFICATION: DV PROJECTS AND TRANSITIONAL HOUSING RENTAL ASSISTANCE

The Coalition received clarification from HUD regarding Transitional Housing rental assistance requirements, including how these requirements apply to projects serving survivors of domestic violence.

This clarification is being shared to support applicants as they consider eligible project structures, budget line items, and partnership needs under the FY26 CoC Program Competition.

HUD CLARIFICATION

Question: If a victim service provider transitions a DV RRH or DV Joint TH-RRH project to Transitional Housing, may the nonprofit victim service provider directly administer rental assistance under the TH project?

HUD Response: Transitional Housing rental assistance projects may only be administered by a state, unit of general local government, or public housing agency due to the CoC Interim Rule. However, a nonprofit may receive a TH rental assistance grant and partner with an eligible entity to administer the rental assistance. Alternatively, the project may operate using the leasing budget line item.

Question: If a nonprofit victim service provider cannot directly administer TH rental assistance, what partnership structure would HUD consider allowable?

HUD Response: Nonprofit organizations may not directly administer rental assistance for TH projects, but they may enter into a contract or subrecipient agreement with an eligible entity to administer the rental assistance. HUD has additional information on the use of contractors in ESG and CoC programs here:
https://www.hud.gov/sites/dfiles/CPD/documents/SNAPS-Shots-Using-Contractors-in-ESG-and-CoC-Programs.pdf

Question: For survivor-serving Transitional Housing projects, may scattered-site leasing, master leasing, sponsor-based leasing, or similar leasing structures be used in a way that preserves survivor confidentiality?

HUD Response: A sponsor-based project may allow for the protection of survivor confidentiality. HUD also encouraged communities to discuss locally with DV providers what structures work best for their community.

Question: Does a rental assistance flexibility for nonprofit providers apply to non-YHDP CoC Transitional Housing projects serving survivors?

HUD Response: Nonprofits are precluded from directly administering rental assistance under Transitional Housing per the CoC Interim Rule.

LOCAL GUIDANCE FOR DV PROVIDERS

DV providers considering a transition to Transitional Housing should review HUD's clarification carefully when determining the appropriate project structure and budget line item.

Based on HUD's response, DV providers should consider whether the project will be structured through:

- Leasing, including scattered-site, master leasing, sponsor-based leasing, or similar structures;
- Rental assistance administered through an eligible state, local government, or public housing agency partner; or
- Another eligible structure that meets CoC Program requirements and supports survivor safety, confidentiality, mobility, and participant choice.

The Lead Agency has also reached out to national partners and other communities to better understand how survivor-serving TH models are being structured in practice, especially where confidentiality and safety planning are key considerations.

Early considerations from those conversations include:

- Leasing may be workable, but it requires strong landlord relationships and clear confidentiality practices. Other communities noted the importance of landlord confidentiality agreements, participant releases of information, sublease or third-party agreements, and clear communication protocols with property owners.

- Participant safety and choice still need to drive the model. Providers should think through how participants will be supported if they need to relocate quickly, how much information is shared with landlords, and how safety planning will be handled if a unit is no longer safe.

- If the system partners with a PHA, local government, state entity, or other eligible administrator to administer TH rental assistance, providers should anticipate that the administrator may require an administrative fee. Based on early conversations, this could potentially fall in the range of 5%–10% of the rental assistance being administered, depending on the entity, scope of work, compliance requirements, and final agreement structure. This percentage is not set locally and would depend on the final administrator and agreement.

- Applicants should plan budgets carefully. If a provider wants to use rental assistance under TH and partner with an eligible administrator, the budget should account for the rental assistance structure, any administrative costs, and the provider's role in services, landlord coordination, safety planning, and participant support.

Once the local process has a clearer sense of which projects may transition to TH and which providers want to continue using rental assistance, the Lead Agency will make a formal ask on behalf of the system to a PHA, local government, or state-level administrator to explore whether an eligible entity can serve in the rental assistance administration role.

This guidance does not change the local FY26 NOFO competition timeline, threshold requirements, ranking process, or Tier 1/Tier 2 strategy. It is intended to help applicants think through eligible structures and implementation considerations in alignment with HUD requirements.