

RRH vs. TH in the CoC Program: Same Core Purpose, Different HUD Rules

Core Purpose (Shared by Both)

- Provide **time-limited housing (up to 24 months)** with supportive services.
- Help households exit homelessness and move into **permanent housing**.
- Reduce barriers and support stability while people transition.

Key Differences

Category	Rapid Re-Housing (RRH)	Transitional Housing (TH)
Lease	Tenant holds a standard lease in their name; considered permanent housing.	Participant has a program agreement or sublease ; considered temporary housing.
Housing Type	Can be scattered-site, project-based, or provider-owned units; still permanent.	Provider-owned/leased units; program-based temporary stay.
Eligible Costs	Rental Assistance, Supportive Services, HMIS, Admin. (⚠️ No operating costs).	Leasing, Operating, Supportive Services, HMIS, Admin.
Performance Measures	Speed to housing, retention in permanent housing, income growth.	Length of stay, exits to permanent housing, returns to homelessness.
HUD Priority (historically)	Highly favored; aligns with Housing First.	Limited use (youth, DV, special populations). But FY25 NOFO will re-emphasize TH and allow more SSO .

What This Means in Practice

- **Similar for clients:** Both provide up to 24 months of housing + services before moving into permanent housing.
- **Different for providers:**
 - RRH budgets run through **rental assistance** categories.
 - TH budgets run through **leasing/operating** categories.
 - Reporting and performance standards differ.

Implications for FY25 NOFO

- HUD will **cap PH (RRH/PSH) at 30% of ARD**.
 - **TH and SSO** will be elevated after years of de-prioritization.
 - Providers with owned units may consider **converting RRH to TH** depending on local priorities and CoC strategy.
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Bottom Line: RRH and TH share the same core mission — temporary housing + services leading to permanent stability — but HUD defines and funds them differently. The FY25 NOFO shift means **TH is back on the table** as a strategic tool for CoCs.