MI-516: NORTON SHORES, MUSKEGON CITY & COUNTY CONTINUUM OF CARE

CoC PERMANENT HOUSING TRANSITION GRANT OPPORTUNITY INFORMATION

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Transition Grant Application Due Date

Current CoC funded Permanent Housing providers that are interested in transitioning their current Permanent Housing grant are asked to complete and submit the application and budget forms provided here to mchccnby 11:59 pm on December 12, 2025.

I. Background

In the FY2025 CoC Competition, HUD is limiting the amount of Permanent Housing funding that CoCs may apply for to no more than 30% of their Annual Renewal Demand (ARD). (ARD is the dollar amount it would take to fully fund all renewals for one year and sets the baseline from which HUD calculates amounts of funding available.)

- Permanent Housing (PH) projects include all of the following:
- Renewal Permanent Supportive Housing (including YHDP)
- Renewal Rapid Rehousing (including DV bonus)
- Renewal Joint Component Transitional Housing-Rapid Rehousing (including YHDP and DV bonus)
- New Permanent Supportive Housing New Transitional Housing

Because the 30% cap includes new projects, the CoC will not be seeking new PSH or RRH applications this year.

The 30% cap for Muskegon equals $221.051. This is the maximum amount of Permanent Housing funding that may be submitted to HUD. The amount of funding currently allocated to Permanent Housing projects is $671,736. This means the MCHCCN will need to reallocate $450,685 of this funding to other project types. This cap also means the majority of our Permanent Housing projects will not be able to be submitted to HUD for renewal.

II. Transition Grants

A Transition Grant is a reallocated grant that changes the project component and keeps the funding with the same agency. With a transition grant, the agency retains the funding, and over the course of the first year of the transition grant operates both the former project type (ramping it down) while also operating the new project type (ramping it up).

For example, if an agency wanted to transition its RRH project to TH, during the first year of the transition, the agency would ramp down the RRH project while simultaneously ramping up the TH project. When the project next comes up for renewal, it will be renewed as a TH project.

Transition Grants are Considered New Project Applications by HUD

Providers should be aware that transition grants are reallocated grants and therefore are considered *new projects* by HUD. As such, all transition grants that are submitted to HUD must meet HUD's quality threshold and scoring review of the projects in order to be funded. Details on these criteria are given starting on page 53 of the NOFO. Key threshold criteria and scored factors have been included in this application form.

Submitting a transition grant to HUD does not guarantee that HUD will fund the project.

Information Requested from Existing CoC PH Providers

Current CoC Permanent Housing providers are asked to complete this application form and budget to indicate their interest and potential willingness to transition their CoC project to a different project type. This application form is not a commitment from either the provider that they commit to transitioning, or that the CoC will approve the transition. The purpose of this application form is to gather information. This information will be used when deciding which projects to transition.

Current CoC funded Permanent Housing providers that are interested in transitioning their current Permanent Housing grant are asked to complete and submit the application and budget forms provided here to MCHCCN by 11:59 pm on December 12, 2025.

The complete application and budget form(s) may be emailed to Madison Butler at madison@unitedwaylakeshore.org.

III. QUESTIONS and ANSWERS

Q: Which Permanent Housing (PH) projects will be submitted to HUD for renewal funding? Is my project one of them?

A: No decisions have yet been made on which Permanent Housing projects will be submitted to HUD. The information to be submitted to MCHCCN via this application form will be one piece of information used in making these decisions. Other information that will be considered will be the type of past project performance, and population being served. The CoC will try to preserve as much PSH as possible.

Q: How do I know if I should apply for a transition grant if I don't know where my permanent housing project is going to be ranked (in Tier 1 or Tier 2)?

A: The project priority ranking policies and list has not been developed. Therefore, no decisions have been made yet on which projects will be in Tier 1 and which will be in Tier 2.

Q: What if my PH project is not selected as a transition grant nor selected to be submitted for renewal as a PH?

A: PH projects not selected as a transition grant nor selected to be submitted for renewal as a PH will be reallocated in whole. The funding from the project will then be combined with CoC Bonus funds and used to fund new projects. See the FY2025 New Project Request for Proposals for more information.

Q: What type of project may my Permanent Housing project apply to transition to?

A: You may apply to transition to Transitional Housing, Street Outreach, or Standalone Supportive Services. Details on each of these project types are given below.

Q: I have multiple Permanent Housing Projects and am interested in transitioning some or all of them? How many of these application forms and budgets do I complete?

A: Complete *one application form* for the project type(s) you are interested in transitioning to, even if you are interested in transitioning more than one permanent housing project.

Complete *one budget form* for each individual project you are interested in transitioning. The budget needs to be completed for each individual project to give an idea of how the current project funding would be used in the new project type.

Q: I am not interested in applying as a transition grant.

A: Completion of this transitional grant application form is optional. This application is being used as a means to gather information from the CoC's existing PH providers.

Q: What will happen to the people currently being served in my PSH/RRH/TH-RRH project if the project is not submitted for renewal funding?

A: If your current PSH/RRH project is not submitted for renewal funding, and if your organization does not have other funding to continue the project, the project may need to be ramped down. We understand that we may be looking at having to ramp down PSH/RRH/ projects on a much larger scale than we have ever had to in the past. We will need to all work together to ensure the best possible outcome for the current project participants.

Q: May I apply for new project funding as described in the FY2025 New Project Request for Proposals?

A: Yes. Your organization may apply for new funding as described in the RFP, regardless of if you apply to transition your current grant or not.

IV. TRANSITION GRANT PROJECT DESCRIPTIONS

Current CoC Permanent Housing projects may apply to transition to Transitional Housing, Street Outreach, or Standalone Supportive Services. Following are descriptions of each of these project types and key things for agencies to consider.

TRANSITONAL HOUSING

Transitional Housing (TH) provides temporary housing with supportive services to individuals and families experiencing homelessness with the goal of interim stability and support to successfully move to and maintain permanent housing. TH projects can cover housing costs and accompanying supportive services for program participants for up to 24 months.

Persons in TH must have a lease or occupancy agreement that is for a term of at least one month that ends in 24 months and cannot be extended beyond 24 months.

TH projects may be site based (all program participants living in one building) or scattered site (program participants reside in units scattered throughout the CoC jurisdiction). All TH residents must have a lease or occupancy agreement that is for a term of at least one month and ends in 24 months and cannot be extended.

HUD's Expectations

HUD will be more likely to fund TH projects that have the following characteristics:

1) For TH projects that have a primary focus on substance abuse treatment, HUD will be unlikely to fund projects that take a "harm reduction" approach, including operate drug sites or "safe consumption sites," knowingly distribute drug paraphernalia on or off of property under the agency's control, permit the use or distribution of illicit drugs on property under the agency's control, or conduct any of these activities under the pretext of "harm reduction."
2) HUD will be more likely to fund TH projects that require service participation as a condition of the person's continued enrollment in the project.
3) HUD will be more likely to fund TH projects that demonstrate the project will provide 40 hours per week of customized services for each participant. These services may include case management, employment training, substance abuse treatment, etc. The 40 hours may be reduced proportionally for participants who are employed. The 40 hour requirement does not apply to persons who are 62+ or have a physical disability/impairment or developmental disability (not including substance use disorder).
    - HUD has not provided additional guidance on what these "40 hours" could/should look like. It has been suggested that these "40 hours" could look like the participant is provided with a schedule or "menu" of services that total 40 hours, with those services being provided either directly by the agency or by partner organizations in the community.

- The current understanding of this expectation is that HUD is looking for how the TH program is designed to demonstrate that participants have access to a full schedule of services, such as employment, therapy, skill-building, etc that total 40 hours a week.

4) The expectation of TH projects is that people ultimately exit the project to permanent housing, with an emphasis on exiting to unsubsidized permanent housing. TH projects are also expected to help people increase their income, particularly through employment, while in the program.

Review 24 CFR 578.37(a)(2) and the information on the HUD Exchange for more information on Transitional Housing requirements and eligibility.

Important Note About Current PSH Clients

People currently being served in PSH projects that transition to TH will not be eligible to be served in the new TH project. That is, the existing PSH project will need to be ramped down (with other housing options identified for the current clients) while the new TH project is ramped up with new clients.

Current Understanding Current RRH or TH-RRH Clients

It is MCHCCN's current understanding that, like with PSH, people currently being served in RRH, or TH RRH projects that transition to TH will not be eligible to be served in the new TH project. However, there is currently some conflicting information about this. Some guidance is being given to state that if a person is at risk of losing their RRH, they would be considered Category 2 (at risk) and therefore eligible for TH. Other guidance contradicts that. Presently, we are assuming current clients in RRH or TH-RRH will not be eligible for the new TH project. If more clarity is received, it will be communicated.

SUPPORTIVE SERVICES ONLY (General overview)

Supportive Services Only (SSO) projects allow recipients to provide supportive services—such as conducting outreach to sheltered and unsheltered homeless persons and families and providing referrals to other housing or other necessary services—to families and individuals experiencing homelessness. The recipient may only assist program participants for whom the recipient or subrecipient of the funds is not providing housing or housing assistance.

This CoC Program SSO/Housing Component Decision Tool provides more information to help distinguish SSO projects from housing projects.

This year, the HUD is allowing CoCs to apply for SSO projects that conduct Street Outreach and Standalone SSO projects. A description of these services that the MCHCCN will consider are:

STREET OUTREACH

Street Outreach Projects are a kind of Supportive Services Only (SSO) project that provide outreach services to people experiencing unsheltered homelessness. Locally, the CoC will consider two types of Street Outreach Projects: Basic Needs and Navigation, defined as:

Basic Needs Street Outreach

Basic Needs Outreach activities include contacting and engaging with people experiencing unsheltered homelessness "in the filed". Basic Needs Outreach helps to address a person's immediate needs for food, water, shelter, toiletries, blankets, etc. Basic Needs Outreach continues to engage with people to help them access shelter/drop-in/Warming Center as the individual is willing. A more comprehensive description of Basic Needs Outreach is found in the "FY2025 New Project Request for Proposals" in Section XVIII.

Navigation Street Outreach

In addition to carrying out Basic Need Street Outreach, Navigation Street Outreach provides Navigation services to people experiencing unsheltered homelessness to help get these individuals "match ready" to be placed on the prioritization list and matched to a housing provider. A more comprehensive description of Navigation Services is found in the "FY2025 New Project Request for Proposals" in Section XVIII.

Additional information on Street Outreach activities is described in the CoC regulations at 24 CFR 578.53(e)(13).

STANDALONE SUPPORTIVE SERIVCES

Standalone Supportive Services are a kind of Supportive Services Only (SSO) project that is not primarily dedicated to Coordinated Entry or Street Outreach. Persons to be served in Standalone Supportive Services must be experiencing homelessness in order to be eligible to be served. Types of Standalone Supportive Services projects include:

- Services for people currently residing in Emergency Shelter, with a focus to help them exit shelter to housing more quickly. These services do not have to be provided by the Emergency Shelter provider themselves.
- Employment or education services for people currently experiencing homelessness.
- Legal services, outpatient health care services, outpatient substance abuse or mental health care, and more.

Important Consideration About Standalone Supportive Services

Standalone supportive services funding cannot be used to provide services funding to PSH or RRH projects, as the clients in these projects do not meet the eligibility criteria for Standalone supportive services (ie, they are not considered homeless).

Standalone Supportive Services also cannot be used for furniture/household goods, rental arrears, security deposits, or rent/utility payments going forward. Standalone Supportive Services may pay for: utility deposits, rental application fees, renting a storage unit, and renting a moving truck.