



CoC Rapid Re-Housing Program Compliance

Guidance for operating an RRH program specific to Tenant Based Rental Assistance Projects

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Office of Housing and Community Development

OVERVIEW

This guidance is published to provide clarity to Continuum of Care (CoC) Rapid Re-Housing (RRH) subrecipients relating to operating CoC RRH projects. The following information is taken from a combination of statute, regulations and U.S. Department of Housing and Urban Development (HUD) official policy notices, guidance and FAQs.

Under a standard CoC Rapid Re-Housing (RRH) model funded through the rental assistance budget line item, HUD expects the program participant to be the tenant under a lease directly with the landlord/owner.

Though the subrecipient agency can enter into a rental assistance agreement with the owner, it is the project participant who executes the actual lease as tenant. Under a standard CoC Rapid Rehousing (RRH) model funded through the rental assistance budget line item (tenant-based, project-based, or sponsor-based rental assistance), HUD expects the program participant to be the tenant under a lease directly with the landlord/owner ([§578.51\(c\)](#)). This means for projects that provide tenant-based rental assistance, the lease is between the program participant and the landowner. This does not negate the subrecipient and landlord from entering a contract apart from the lease.¹ In this structure, a sublease between the provider and participant would not be appropriate.

Overall it's important to remember that project budgets matter because HUD's CoC regulations distinguish sharply between Leasing and Rental Assistance. In the Rental Assistance Budget structure, a sublease between the provider and participant would not be appropriate.

Subrecipient agencies cannot decide to use subleases because it is operationally convenient or desired. The HUD-approved grant budget and project design must support the leasing model. If a

¹ <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-leasing-rental-assistance-requirements/lease-structure/>

project is funded under rental assistance, HUD expects a landlord-participant lease.²

If a CoC RRH project was funded under Rental Assistance and a sublease was signed between the subrecipient and participant instead of a landlord-participant lease, it would be reasonable for HUD to question whether the project is being operated consistent with the approved budget line item and lease structure requirements. Given that, the OHCD notes the arrangement should be a direct landlord-participant lease.

RRH must remain permanent housing. The project participant must also retain the rights associated with permanent housing, and the arrangement cannot function like transitional housing merely because a sublease is used. *RRH is a permanent housing intervention.* As is true in CoC Permanent Supportive Housing (PSH) projects, Rapid Re-housing (RRH) projects must have leases with terms of at least one year and that automatically renew upon expiration ([§ 578.51\(l\)\(1\)](#)).

State landlord-tenant law still applies. In Massachusetts, a sublease arrangement can create landlord-tenant obligations for the subrecipient, so providers should be careful about liability, eviction procedures, habitability obligations, and insurance implications.

For tenant-based rental assistance (TBRA) the lease must be between the program participant and the property owner/landlord. HUD guidance specifically states that for rental assistance projects, the participant executes a lease directly with the landlord. The controlling CoC regulation is **24 CFR § 578.51(e)**, which HUD summarizes as requiring that, in rental assistance projects, the lease be between the participant and the landowner.

Questions relative to this guidance can be directed to the OHCD at 508.979.1500 or via email to staff: Jennifer.Clarke@newbedford-ma.gov or Jose.Maia@newbedford-ma.gov.

² The relevant CoC regulation is [24 CFR § 578.51\(c\)](#) where HUD requires that, in rental assistance projects, the lease be between the participant and the landowner.