Flexible Housing Subsidy Pool ("Flex Pools") Models Technical Assistance Resource: Example Models for Operationalizing a Flex Pool

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

June 2026

Purpose of this Technical Assistance (TA) Resource

The purpose of this TA Resource is to inform localities and potential funders considering the development of a Flex Pool about how Flex Pools can be operationalized.

- The models presented have been observed among local teams participating in the Flex Pools TA Academy, which launched in August 2025.
- These models are provided as examples and should not be interpreted as the only ways to structure a Flex Pool.

Flex Pool Academy Faculty

Alison Klurfeld

Health Care and Housing Consultant, Klurfeld Consulting, LLC

Previously: Director of Safety Net Programs and Partnerships, L.A. Care Health Plan

Whitney Lawrence

Housing and Health Care Consultant

Previously: Director of Policy and Planning for Housing for Health, L.A. County Department of Health Services

Danielle Wildkress

Housing and Health Care Consultant

Previously: Chief Program Officer at Brilliant Corners

What is a Flex Pool?

Flex Pool Core Functions

A Flex Pool helps people who are experiencing or at risk of homelessness by:

1. Coordinating and braiding funding streams, facilitating compliance and required reporting
2. Acting as a fiscal intermediary between funders and landlords, on behalf of participants
3. Identifying, securing, and supporting a portfolio of units for participants
4. Coordinating with providers of housing supportive services to support participants

Basic Flex Pool Model

Funders

- Funding Source A
- Funding Source B
- Funding Source C

Flex Pool Administration and Operation

Lead Entity: Plays the role of convener and "system driver"—identifies, aggregates, and administers funding sources, and contracts with the Operator, if the Operator is separate. The Lead Entity may also be one of the funders.

Operator: Responsible for keeping the day-to-day operations of the Flex Pool running smoothly and delivering excellent customer service to landlords, participants, and the Lead Entity

Housing Supportive Service Providers

Landlords

- Landlord X
- Landlord Y
- Landlord Z

Housing and Supports for Participants

The [DHCS Flex Pools TA Resource] defines the basic Flex Pool Model. However, this model looks different in every community.

Value of a Flex Pool

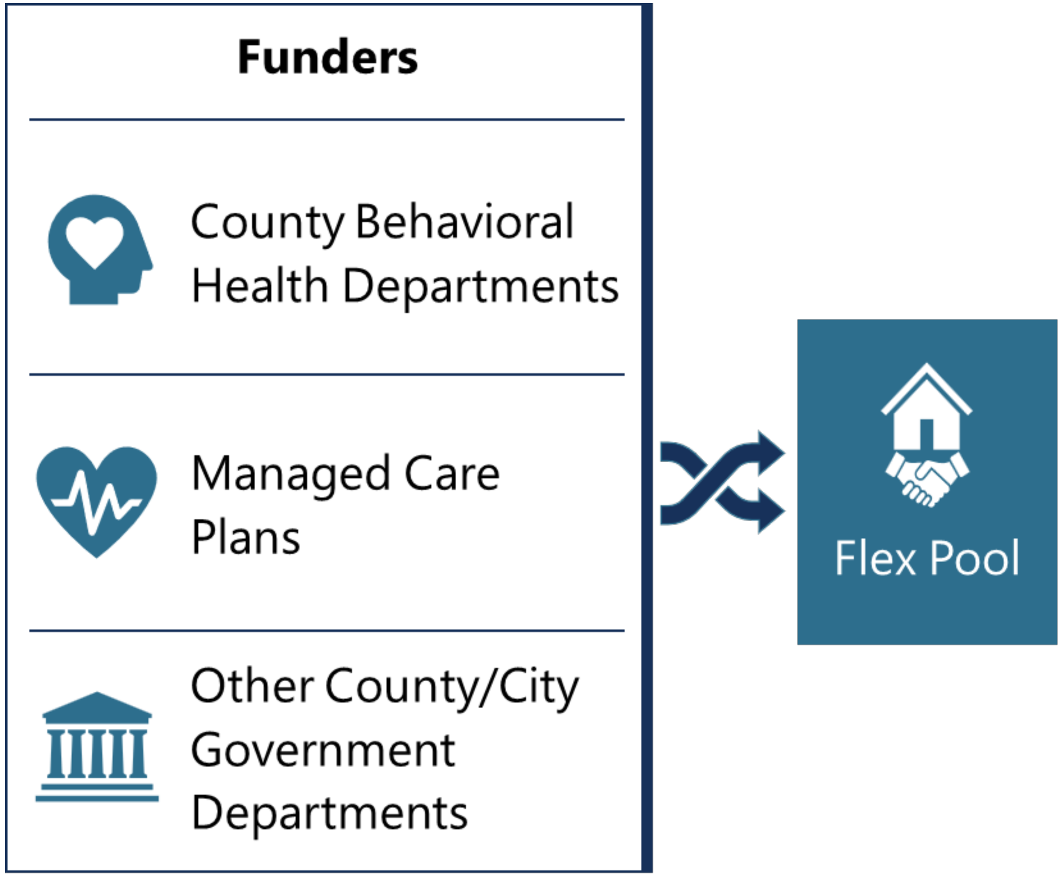
A Flex Pool effectively and efficiently administers rental subsidies creating a seamless experience for landlords, participants, and supportive service providers.

- Increases **Participants Housed and** Improves Housing **Retention**
- Centralization Helps Provide **Consistency and Clarity for Landlords**
- Unit Inventory **Reduces Time Spent on Housing Search and Increases Placements**
- **Maximizes the Value of Limited Housing Resources** in Communities
- Centralized Functions **Can Serve Many Housing Programs and Populations**
- Flexibility **Helps to Meet Participants' Needs**

Benefits of Flex Pools for Counties and MCPs

The launch of Transitional Rent and BHSA Housing Interventions provide important new supports to address and prevent homelessness for individuals living with significant behavioral health needs. Flex Pools can help county behavioral health departments and MCPs leverage these expanded DHCS housing programs.

- **Counties** can use a Flex Pool to:
  - Administer newly created permanent rental subsidy slots through Behavioral Health Service Act (BHSA) Housing Interventions funds
  - Ensure county is in compliance with BHSA mandate to maximize coverage and funding under Medi-Cal, while covering expenses not covered by Medi-Cal
  - Administer other state-funded programs like HHAP, DSS Housing Programs
  - Support uptake of federal vouchers
- **MCPs** can more easily connect members eligible for Transitional Rent with long-term subsidies through other Flex Pool funders



Flex Pools TA Academy

Flex Pools TA Academy & Planning Grants

In support of Flex Pools, DHCS launched the Flex Pools Academy in August 2025. The Academy provides coaching and TA resources to 12 select local teams.

TA Focus Areas

- **Visioning** to develop a new Flex Pool or strengthen existing Flex Pool
- Identification of **potential funding sources**
- Funder and partner relationship development and/or **procurement** of a Flex Pool Operator
- Development and implementation of **operational processes** to launch services

- County behavioral health agencies participating in the Academy were awarded competitive planning grants to help launch and scale their local model.
- The Flex Pool Planning Grant covers:
  - Costs for staff and/or consultants
  - Supplies and materials
  - Meeting costs to support Flex Pool development or improvement
  - Community and provider engagement via onsite and virtual meetings
  - Travel or other costs to support stakeholder participation
  - Technology to support launch or operations
  - One-time startup funds

Flex Pools in CA as of June 2026[1]

DHCS is aware of 17 Flex Pools operating in California as of spring 2026.
Of these, 12 counties that are participating in the DHCS Flex Pools Academy.

Status	County
Counties Participating in the Flex Pool Academy	**(12)** *Lead Entities are listed in italics below.* • Alameda, *County Health, Housing and Homelessness Services* • Calaveras, *County Behavioral Health Services* • Glenn, *County Health and Human Services Agency* • El Dorado, *County Behavioral Health* • Fresno, *County Administrative Office* • Inyo/Mono/Alpine, *Inyo County Health and Human Services Department* • Kern, *County Behavioral Health and Recovery Services* • Sacramento, *County Homelessness and Housing Services* • San Diego, *County Behavioral Health Services* • San Luis Obispo, *County Behavioral Health* • San Joaquin, *County Behavioral Health Services* • San Mateo, *Health Plan of San Mateo*
Other Counties with known Flex Pools/Flex Pool-Like Systems	**(5)** Los Angeles, Solano, San Francisco, Santa Cruz, Trinity

A DHCS landscape analysis in February 2025 found at least seven Flex Pools or Flex Pool-like systems were operating in the State at that time. For more information, see the Flex Pools Technical Assistance Resource.

Three Example Models for Operationalizing a Flex Pool

Flex Pool Models

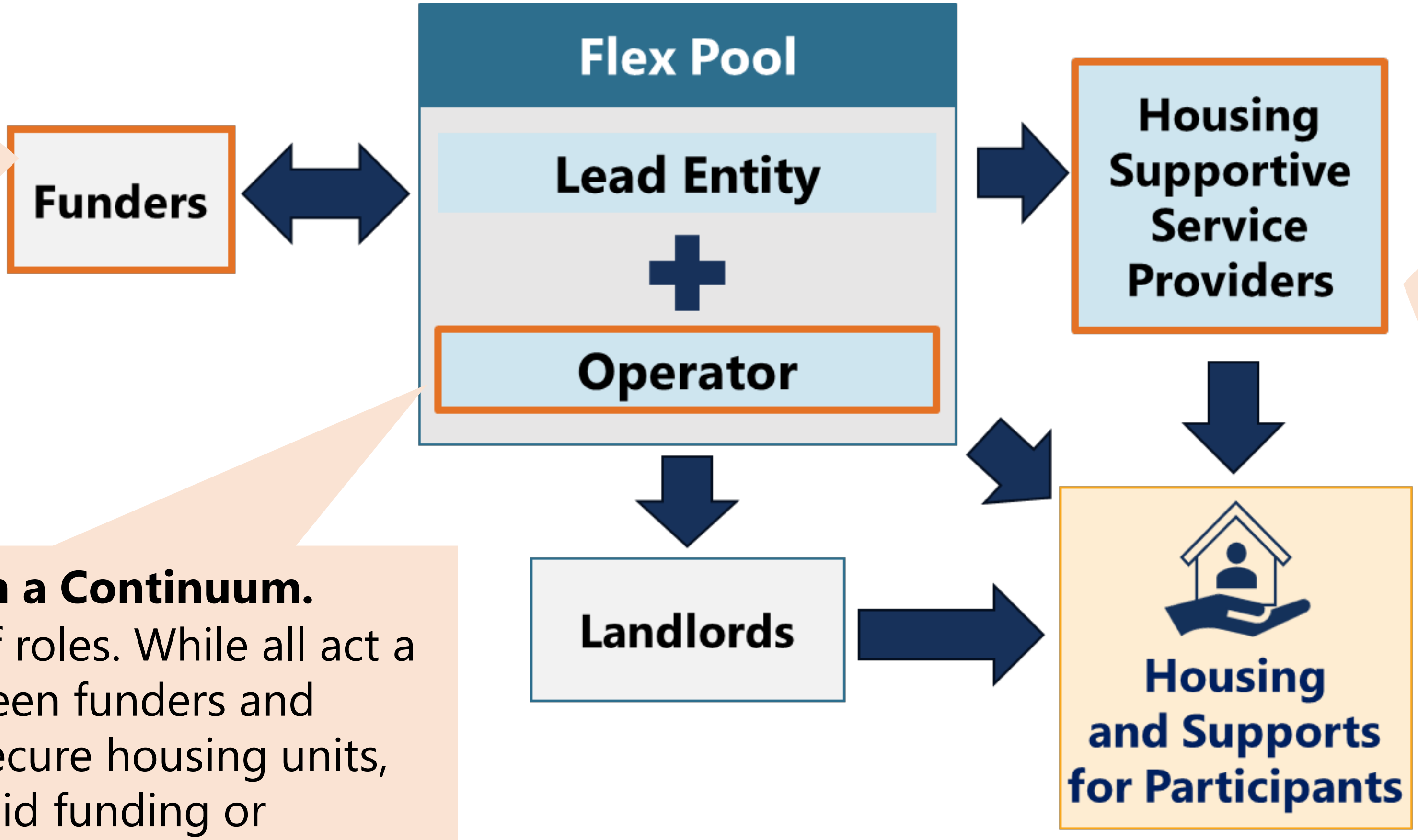
- In the following slides, we share three models for operationalizing a Flex Pool, each of which have current examples in California.
  - **Model 1:** "Integrated" Flex Pool With **Lead Entity** braiding funding
  - **Model 2:** "Housing-Only" Flex Pool with **Operator** braiding funding
  - **Model 3:** **In-House** model (Smaller Scale)

NOTE: These models should not be interpreted as the only ways to structure a Flex Pool.

What We are Seeing in California Communities

Flex Pool teams have adapted the basic Flex Pool model to meet their needs and goals, blending old and new administrative structures. In all but one Academy community, the Lead Entity is the county.

Flex Pools are Funded by Various Entities. In some counties, the Lead Entity is not the major funder; in others the Lead Entity is the main source of funding.



Operator Role exists on a Continuum. Operators fill a variety of roles. While all act a fiscal intermediary between funders and landlords and identify/secure housing units, they may or may not braid funding or coordinate supportive services. Under the "in-house" model, there is no separate Operator.

Using a Flex Pool to Coordinate Supportive Services. Some counties directly fund housing supportive services through their Flex Pool, while others only coordinate with these services.

Model 1: "Integrated" Flex Pool With Lead Entity Braiding Funding

Lead Entity braids funds, while subcontracting the landlord and participant-facing roles to the Operator and Housing Supportive Service Providers.

Funders

MCP(s)

- Contracts with Lead Entity for Transitional Rent & Community Supports Housing Trio

County BH Department

- Executes MOU with Lead Entity

Other Funders (TBD)

- Contracts with Lead Entity

Flex Pool Administration and Operation

Lead Entity *(e.g., County Homelessness & Housing Dept)*

- **Coordinates and braids funding streams**
- **Contracts with organization to serve as Operator and provides advances**
- **Contracts with providers for housing supportive services**
- Contracts or executes MOUs with funders
- Reports on aggregate and client-level data to all funders

Operator

- **Recruits and supports landlords (i.e., property providers)**
- **Coordinates services with Housing Supportive Services Providers**
- Contracts with Lead Entity
- Pays deposits and rent subsidies
- Reports on participant outcomes, services, and spending to Lead Entity

Housing Supportive Service Providers

- Provides housing-focused case management
- Contract with Lead Entity
- Coordinate services with Operator

Landlords

Housing and Supports for Participants

Evaluating Model 1: "Integrated" Flex Pool With Lead Entity Braiding Funding

Advantages

- Standardizes housing processes across funding sources and facilitates easier coordination across funders
- Easier to scale; integrated structure allows for quick addition of new funding sources
- Seamless client experience because all components of housing intervention (e.g., housing case management, housing search, rental subsidy, etc.) are centralized
- Improves relationships with supportive service providers as funds braiding is performed by Lead Entity
- Lead entity manages funder relationships, which frees up the Operator's capacity to focus on: acting as a fiscal intermediary; identifying, securing, and supporting a portfolio of units; coordinating with providers of housing supportive services

Disadvantages

- Lead Entity must have a high tolerance for financial risk and disposition to manage multiple funding streams and differing expenditure deadlines
- Administrative burden for the Lead Entity—usually a county department—is higher than it would be in the absence of a Flex Pool

Model 2: "Housing-Only" Flex Pool with Operator Braiding Funding

Operator (not Lead Entity) braids funds. Funders contract directly with Operator to secure and manage units and usually contract directly with Housing Supportive Service Providers.

Funders

MCP(s)

- Contracts with Operator directly for Transitional Rent & Housing Deposits
- **Contracts with CBOs directly for housing supportive services**
- Coordinates with Lead Entity

Other Funders (TBD)

- Contracts with Operator
- Coordinates with Lead Entity

Lead Entity & Funder *(e.g., County BH Dept)*

- **Contracts with CBO to serve as Operator**
- Coordinates with MCP(s) and other funders on program model, operations, and funding
- Provides or contracts for county-funded housing supportive services

Flex Pool Administration and Operation

Operator

- **Coordinates and braids funding streams**
- **Contracts with Lead Entity, MCP(s), and other funders separately**
- **Recruits and supports landlords**
- Reports on aggregate and client level data to all funders
- Coordinates services with Housing Supportive Services Providers
- Pays deposits and rent subsidies

Housing Supportive Service Providers

- **Contract with MCP(s) and/or County**
- Provide housing-focused case management
- Coordinate services with the Operator

Landlords

Housing and Supports for Participants

Evaluating Model 2: "Housing-Only" Flex Pool with Operator Braiding Funding

Advantages

- Lower barrier to launch, given that it requires less from the Lead Entity and more easily integrates into pre-existing local government infrastructure
- Splits financial risk between Lead Entity and funders
- Works well where a provider (e.g., CBO) is already braiding funding and can be elevated to serve as the Operator

Disadvantages

- Requires strong partner commitment to achieve two of the Flex Pool core functions—coordinating and braiding funding streams; coordinating with providers of housing supportive services
- Introduces higher financial risk for the entity serving as the Operator
- Clients must navigate a decentralized system for housing and supportive services
- Operator has less power than counties to negotiate with funders

Special Considerations:

- Model requires MCP funders and Lead Entity to closely coordinate to ensure a unified Flex Pool.

Model 3: In-House Model (Smaller Scale)

Small communities usually retain both the Lead Entity and Operator functions in-house, given the small number of participants served and limited availability of entities to serve as an Operator.

Funders

MCP(s)

- Contracts with Lead Entity for Transitional Rent & potentially Housing Trio Community Supports

County BH Department

- Executes MOU with Lead Entity

Other Funders (TBD)

- Contracts with Lead Entity

Flex Pool Administration and Operation

Lead Entity & Operator *(e.g., County Department of Health and Human Services)*

- **Coordinates and braids funding streams**
- **Recruits and supports landlord**
- **Provides housing supportive services to participants**
- Contracts or executes MOUs with funders
- Reports on aggregate and client level data to all funders
- Pays deposits and rent subsidies

For the in-house model, the county department is usually a Flex Pool funder and acts as the housing supportive services provider, in addition to acting as the Flex Pool Lead Entity and Operator.

Landlords

Housing and Supports for Participants

Evaluating Model 3: In-House Model (Smaller Scale)

Advantages

» Highly centralized

» Designed to meet the needs of small counties with a small number of clients and less private provider capacity

Disadvantages

» Does not address administrative constraints of government (e.g., may not be able to cut rent checks quicker, may not be as nimble with leases and landlord incentives)

» Inherent scaling difficulties due to small size

Special Considerations:

- Model requires adequate staff within the Lead Entity/county organization to support role specialization.
- Can achieve all Flex Pool core functions, but most of the work to become a Flex Pool is around coordinating and braiding funding streams and identifying, securing, and supporting a portfolio of units.

Future Funding Priorities

To develop, scale, and thrive across California—far beyond the Flex Pool Academy—across all models, funder should provide start-up and advance funds, landlord incentives to participate, and flexible funds for client needs. Below are model-specific areas of investment.

Model 1: Integrated Flex Pool With Lead Entity Braiding Funding

- **Build administrative capacity** at the Lead Entity and Operator
- **Support training opportunities** to braid new funding sources

Model 2: Housing-Only Flex Pool with Operator Braiding Funding

- **Bring all partners together** to support coordination and collaboration
- **Provide cash flow** for the Operator
- **Build administrative capacity** at the Operator Level

Model 3: In-House Model (Small Scale)

- **Build staff capacity** (e.g., fund a position)
- **Support training opportunities** to braid new funding sources

Additional Resources

Contact & Additional Resources

Please send questions to the Flex Pool Consultants or FlexPools@dhcs.ca.gov.

- » Explore the Flexible Housing Subsidy Pools: Technical Assistance Resource to learn more about Flex Pools, their key functions, and the roles and responsibilities of partner organizations.
- » Visit the DHCS Housing for Health website for additional resources and webinar recordings.

Thank you!