

FLEXIBLE HOUSING SUBSIDY POOLS

Technical Assistance Resource

February 10, 2025

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I. INTRODUCTION

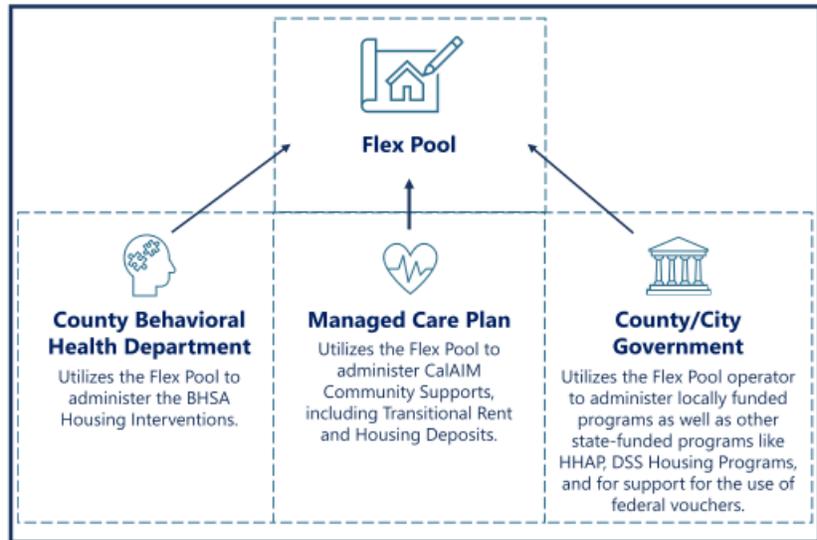
The Department of Health Care Services (DHCS) is committed to improving health outcomes by addressing the social factors that impact health and well-being. Prominent among these social factors is access to safe and stable housing. Too many individuals continue to experience homelessness or housing instability, exacerbating their health conditions, exposing them to greater harms, and disrupting access and consistent engagement in health care. At the same time, there is clear and compelling evidence that providing stable housing, linked to supportive services, not only resolves people's homelessness and housing instability, but also improves people's engagement in care, shifts utilization patterns from an overuse of more costly acute and emergency care to primary and preventive care, and results in better health and well-being.

The purpose of this technical assistance (TA) resource is to pave the way for local Flexible Housing Subsidy Pools (“Flex Pools”) in California by defining Flex Pools; describing their key functions, benefits, and components; and providing information about roles and responsibilities for different partner organizations.

Already operating in some California counties, Flex Pools are a model for administering and coordinating multiple streams of funding for rental and housing subsidies and engaging landlords. They can provide a solution to questions of how to provide timely rent payments under a Medi-Cal reimbursement payment environment, how to ensure seamless continuity of rental assistance while transitioning from one funding source to another, and how to coordinate and sequence rental assistance with housing-related supportive services, including Community Supports (e.g., Housing Navigation Transition Services, Housing Tenancy and Sustaining Services). Flex Pools have the power to create efficiencies by recruiting and managing relationships and timely payments across a single, comprehensive network of landlords, opening up faster access to housing for those experiencing homelessness than is possible through individual contracts.

Flex Pools are one piece of the work DHCS and its partners are pursuing to improve access to safe and stable housing for Californians, and to better integrate housing with health care. Since 2022, the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration has provided the option for the Medi-Cal Managed Care (MCMC) delivery system to cover services that assist new members to find, obtain, enter, and retain housing, and has provided incentives for Medi-Cal Managed Care Plans (MCPs) to implement and expand these CalAIM services, build infrastructure to connect

with Continuums of Care, and support their Members experiencing homelessness.¹ Under the recently approved Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Section 1115 demonstration, DHCS will provide coverage of Transitional Rent as a Medi-Cal service, which will



provide up to six months of rent/temporary housing to individuals who are experiencing or at risk of homelessness, meet certain additional eligibility criteria, and are enrolled in an MCP.² At the same time, through the Mental Health Services Act (MHSA), particularly through the Full-Service Partnership Program, county behavioral health departments already play a critical role in providing housing supports for individuals they serve—a role that will become even more prominent with the implementation of the Behavioral Health Services Act (BHSA). The recent passage of Proposition 1 requires that, starting on July 1, 2026, 30% of each county’s BHSA funding allocation be used for Housing Interventions, including rental assistance, for individuals with the most significant behavioral health needs who are experiencing or at risk of experiencing homelessness.³

The combination of these important new policy advancements, in particular the upcoming launch of Medi-Cal Transitional Rent and BHSA, creates unprecedented opportunity to assist individuals in achieving better outcomes through housing stability. At the same time, DHCS is aware from stakeholder feedback that the new programs have the potential to exacerbate existing challenges at the community level managing

¹ For more information on CalAIM initiatives, see DHCS’s [CalAIM webpage](#). For more information on the CalAIM incentive program, see the [CalAIM Incentive Payment Program \(IPP\) webpage](#); see also the [Housing and Homelessness Incentive Program \(HHIP\) webpage](#), and the [Behavioral Health Bridge Housing \(BHBH\) website](#).

² See [BH-CONNECT Section 1115 Demonstration Waiver Authority \(December 2024\)](#). See also Appendix C for the Transitional Rent implementation timeline.

³ See DHCS’s [Behavioral Health Services Act: Housing Supports Primer](#).

across multiple programs with complex and differing requirements—including the federal voucher system—in an environment where supply of housing is already tightly constrained, competition for available housing units is fierce, and rental costs are high. In particular, given the variations in eligibility criteria for different rental assistance programs, it is challenging for all entities at the community level to optimize matching of individuals to programs, manage landlord relationships and housing acquisition efficiently, and plan for individuals transitioning between programs with as little disruption as possible.

To meet this opportunity and respond to challenges raised by stakeholders, DHCS seeks to articulate the value of a single “switchboard operator” at the community level through Flex Pool formation, while recognizing that Flex Pool implementation will look significantly different around the state (as it does today where it exists). DHCS also recognizes that the Flex Pool concept will not be right for every California community. **DHCS is committed to providing additional TA to organizations interested in Flex Pool formation. More information about accessing this TA will be forthcoming in early 2025.**

II. DEFINING A FLEX POOL

It is helpful to use shared vocabulary consistently when discussing Flex Pools. DHCS defines a Flex Pool as a model for centrally administering rental assistance and coordinating related housing supports in a way that helps people who are experiencing or at risk of homelessness enter and maintain stable long-term housing. **A Flex Pool is not a rental assistance program in and of itself. Rather, a Flex Pool is a vehicle to organize rental assistance that (1) coordinates and braids funding streams, facilitating compliance and required reporting; (2) acts as a single fiscal intermediary between funders and landlords; (3) identifies, secures, and supports a portfolio of units; and (4) coordinates with providers of housing supportive services.**

There are many sources of funding that provide rental assistance to people experiencing or at risk of homelessness, including the U.S. Department of Housing and Urban Development (HUD) Housing Choice Vouchers and other federal vouchers, local-, state-, and federally-funded permanent supportive housing, rapid rehousing programs, Medi-Cal Housing Deposits, Medi-Cal Transitional Rent (from 2025; see Appendix C for implementation timeline), and BHSF-funded Housing Interventions (from 2026). These funding sources can be coordinated and braided through Flex Pools, resulting in a more seamless, optimized delivery system for rental assistance.

Core Principles of Flex Pools

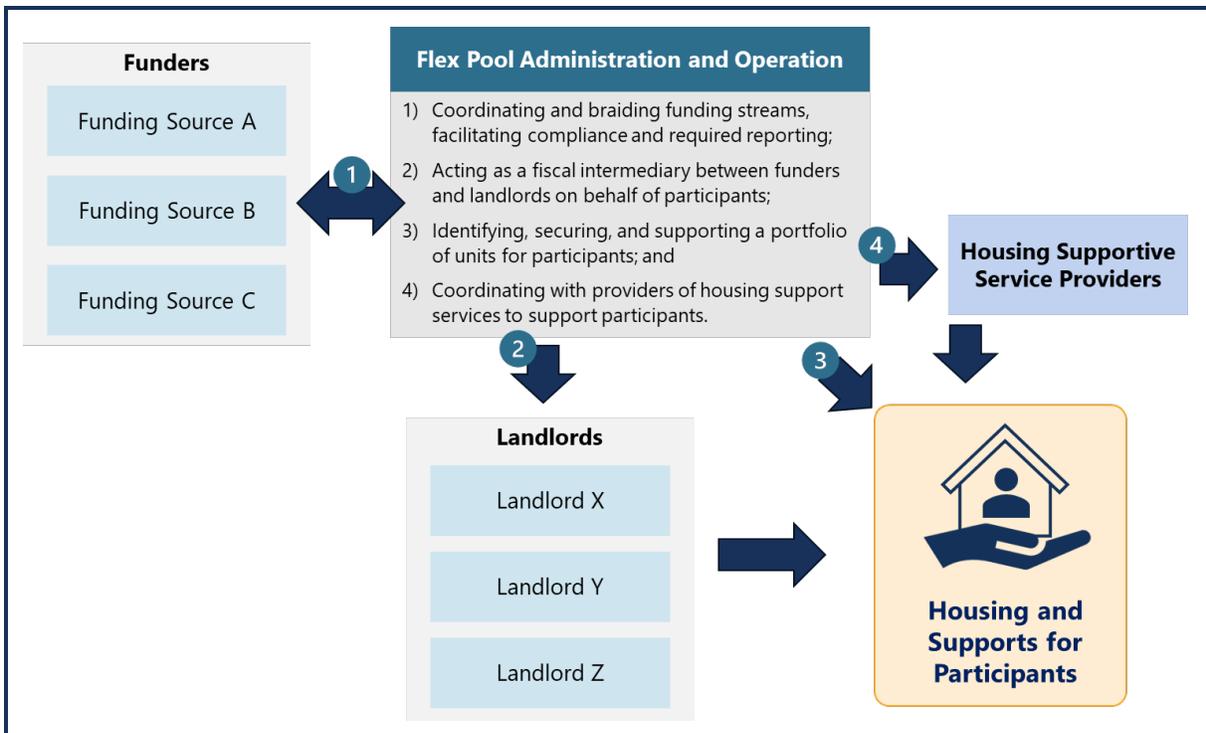
Flex Pools are grounded in several core principles:

- » **Coordination and centralization maximize efficiency and outcomes:** A key feature of Flex Pools is their coordination and centralization of funding and rent subsidy administration, landlord engagement, and coordination with supportive services. Flex Pools avoid the fragmentation of multiple separate unique rent subsidy programs that compete in finding vacant housing units and often lead to confusion among private landlords.
- » **Housing-focused with supportive services:** While many people experiencing homelessness have health and behavioral health needs, these needs are difficult or impossible to meet until a person has a stable place to live. The best way to help people resolve their homelessness is by connecting them to long-term affordable housing, along with supportive services to help them enter and maintain that housing. The goal of homelessness assistance is to help people obtain that housing as quickly as possible and to reduce their barriers to entering and maintaining housing.
- » **Help is person-centered and honors choice:** Success in housing and health outcomes is maximized when assistance is driven by the individual's stated needs, wants, and preferences. Flex Pools put the individual at the center of their own service plan and work to honor their choices in housing, neighborhood, and service provider.
- » **Deep collaboration among key partners:** It is essential that partners involved in the development and operations of a Flex Pool collaborate closely. Partners must develop agreements and processes for frequent and effective information sharing, coordinated problem solving, and work together to innovate on the Flex Pool model.

A. Core Functions of a Flex Pool

There are four core functions of a Flex Pool:

- (1) Coordinating and braiding funding streams, facilitating compliance and required reporting;
- (2) Acting as a fiscal intermediary between funders and landlords on behalf of participants⁴;
- (3) Identifying, securing, and supporting a portfolio of units for participants; and
- (4) Coordinating with providers of housing supportive services to support participants.⁵



⁴ A "participant" is an individual whom the Flex Pool assists in identifying and securing available rental housing units and administers rental subsidies on their behalf (i.e., providing payments for housing security deposits and ongoing monthly rent). A "participant" may or may not be enrolled in Medi-Cal.

⁵ Housing supportive services are services that wrap around the rental/deposit assistance itself to help individuals find and secure housing, offering assistance during the search and move-in process, as well as ongoing support for housing stability.

(1) Coordinating and Braiding Funding Streams, Facilitating Compliance and Required Reporting:

A Flex Pool’s “flexibility” derives from its ability to leverage multiple funding streams to provide rental assistance to participants quickly. Thus, a key function of a Flex Pool is to identify, secure, and administer funding from different sources, including federal, state, and local governments, the private sector, and philanthropy, each of which carries distinct fiscal, policy, and data reporting requirements (see Section VI for additional details on potential funding sources). Further, the Flex Pool facilitates compliance with the unique programmatic requirements specific to each originating funding source.

The Flex Pool secures funding sources and braids them to create a seamless experience for participants and landlords alike. In doing so, the Flex Pool operates in full compliance with the fiscal requirements (e.g., adhering to “payor of last resort” policies), policy requirements (e.g., program-specific eligibility criteria), and data reporting requirements (e.g., capturing data elements sufficient to produce a claim) applicable to each unique funding stream (e.g., Medi-Cal Transitional Rent, BHSA Housing Interventions, local measure-supported funding).

For the MCMC delivery system in particular, Flex Pools have strong potential to help MCPs administer Transitional Rent and Housing Deposits efficiently and in compliance with DHCS program requirements. For these Community Supports, multiple MCPs that may be operating in the same region can directly contract with a single local Flex Pool as the Transitional Rent Provider/Housing Deposits Provider, allowing streamlined payment, reporting, and data sharing at scale and reducing burden on the MCPs. Several MCPs have already begun to implement Housing Deposits through a Flex Pool (see Section IV. Summary of Landscape Scan).

Because rental payments are always made on the first of the month, a Flex Pool must have enough cash on hand to make timely monthly payments. Therefore, Flex Pools require some sources of funds that can issue those timely payments, which can later be reconciled to other funding sources in the pool. The Flex Pool can then ensure that costs are ultimately appropriately allocated to the correct sources in compliance with each funder’s guidelines and restrictions. Many existing Flex Pools separate these financial management functions from the operations functions (e.g., housing unit acquisition, rent payments, and landlord relationship management)—see Section II.B on the distinction between the “Flex Pool Lead Entity” and “Flex Pool Operator.

(2) Acting as a Fiscal Intermediary between Funders and Landlords, On Behalf of Participants:

A basic function of a Flex Pool is to provide timely payments to landlords for housing security deposits and ongoing monthly rent, as well as track costs and payments at the participant level. Because the rental housing market can be fiercely competitive and securing rental housing depends upon the speed of payment to landlords, Flex Pools must be able to issue and provide checks to landlords quickly and on a consistent basis. For this reason, many existing Flex Pools have one entity perform the first function of braiding funds, and a separate entity serve as the fiscal intermediary (see Section II.B).

(3) Identifying, Securing, and Supporting a Portfolio of Units for Participants: Flex Pools acquire an inventory or portfolio of rental housing units for a pool of participants. To accomplish this, Flex Pools foster and establish relationships with landlords and property owners who provide immediate access to housing units, enabling timely placements for participants. This model is in contrast with many rental subsidy programs that provide a commitment to a participant for a rental subsidy and expect the participant to find a housing unit on their own. In addition to developing a portfolio of units, the Flex Pool may help participants with a specific housing search to identify and secure an appropriate available rental housing unit if their needs are not met by an available unit from the Flex Pool portfolio. The Flex Pool also responds to landlords as issues arise or when troubleshooting lease violations is required. Securing a portfolio of units is possible through development of strong working relationships with participating landlords; through “unit holds,” (when the Flex Pool provides advance payments or establishes verbal agreements with landlord to reserve an apartment for Flex Pool referrals); and/or through “master leasing” (when the Flex Pool operator or a community-based organization holds the lease and then sub-leases to the participant). Maintaining an inventory or portfolio of available units shortens the housing search time, facilitates faster move-ins, and reduces the time participants have to spend in shelter, interim housing, or hotels or motels.

(4) Coordination with Providers of Housing Supportive Services to Support

Participants: Many, if not most, Flex Pool participants will also require services to support them through the housing search and move-in processes and to help them maintain housing stability. Housing supportive services include individualized assessment of housing needs, assistance with housing search, communicating with and advocating on behalf of the participant, referral and connection to other physical health, behavioral health, and social support services, development of housing support and crisis mitigation plans, and other activities designed to help participants achieve stable

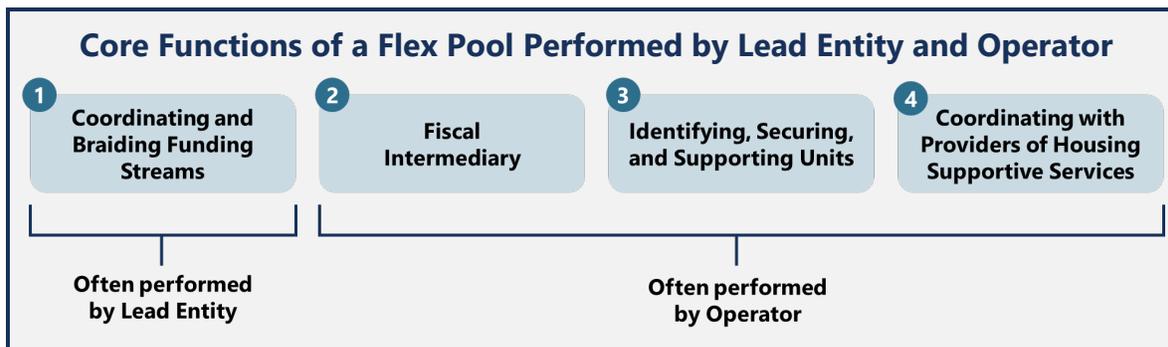
tenancy in community settings. Many participants will receive these services through Housing Transition Navigation Services and Housing Tenancy Sustaining Services Community Supports overseen by MCPs,⁶ while other participants may be served through housing case managers on their Full Service Partnership teams or through Continuum of Care (CoC)-funded outreach, housing navigation, or tenancy support programs.

The Flex Pool coordinates with providers of these housing supportive services to ensure a successful move in and long-term tenancy for the participant. In some cases, the Flex Pool's role will be to ensure ongoing communication with the support services provider regarding the status of housing search and rent subsidy payments, as well as facilitate ongoing communication with the landlord. In other cases, the Flex Pool partners may need to connect the participant to a provider of housing supportive services.

B. Key Roles & Partners

The successful operation of a Flex Pool requires partnerships and coordination between and among multiple entities and organizations. While existing Flex Pools vary in terms of who fulfills each role, in general the key roles and partners in a Flex Pool include:

- (A) Flex Pool Lead Entity
- (B) Flex Pool Operator
- (C) Housing Supportive Services Providers
- (D) Funder(s)
- (E) HUD-Funded Subsidy Providers



⁶ See the [Medi-Cal Community Supports Policy Guide](#) for more information on Housing Transition Navigation Services and Housing Tenancy and Sustaining Services.

(A) Flex Pool Lead Entity: The Lead Entity plays the role of convener and “system driver,” bringing funders and other key organizations together to design, launch, develop, and oversee a Flex Pool. The Lead Entity identifies potential funding sources and obtains agreements to participate from multiple funders. Typically, the Lead Entity also serves as a funding source. Additionally, the Lead Entity develops the structure for the Flex Pool, leads the creation of the Flex Pool’s administrative or operating plan, and oversees, monitors, and reports on the Flex Pool’s outcomes. In most cases, the Lead Entity will also be the entity that aggregates and administers the multiple funding sources for the Flex Pool. The Lead Entity role can be assumed by, but not limited to, a county government agency, a CoC lead agency, an MCP, an existing regional multi-county agency or one established for the Flex Pool model, a municipal government agency, or potentially even a public housing authority (PHA).

(B) Flex Pool Operator: The Operator is responsible for four major roles: (1) serving as fiscal intermediary on behalf of the Lead Entity and other funders, with the ability to move internal processes quickly and make timely payments to landlords; (2) identifying, securing, and supporting the Flex Pool’s portfolio of units; (3) coordinating with providers of housing supportive services; and (4) ensuring Flex Pool participants are supported in their housing identification and with ongoing housing supportive services, either by providing these directly or through coordination with providers of housing supportive services. The Operator is responsible for keeping the day-to-day operations of the Flex Pool running smoothly (e.g., checks cut quickly, calls from landlords returned promptly) and delivering excellent customer service to landlords, participants, and the Lead Entity. The Operator role can be performed by, but not limited to, housing and/or service providers, a municipal, county, or regional government agency, a CoC, and other community serving entities.

The Lead Entity *either* holds a contract with the Operator to perform the four major roles (detailed above) *or* serves as both the Lead Entity and Operator.

To successfully implement these functions, the Operator must work closely with both the Lead Entity (if different) and Flex Pool partners. The Operator will have a close working relationship with the Lead Entity and property providers in the region (e.g., local landlords and property management companies). The Operator may have a direct relationship with the participant through which they provide supportive services, or they may delegate this responsibility to housing supportive services providers (*see* Role C below), in which case they would not engage directly with the participants. The Operator must have strong administrative skills, including back-office capabilities such as finance, procurement, and information technology, and expertise working in real estate.

(C) Housing Supportive Services Providers: A Flex Pool cannot be successful without an intentional approach to partnership with housing supportive services providers. First, these providers are part of a participant’s care team, which may also include Medi-Cal Enhanced Care Management, MESA/BESA Full-Service Partnerships, and/or a housing care manager funded by HUD’s CoC or other homelessness funding stream, and will deliver the “wrap-around” support services that participants of a Flex Pool often need to foster their success. In some models, the Operator may provide supportive services, for example, as a component of unit acquisition, or the Operator may become a provider of some housing supportive services (e.g., contracting as a Medi-Cal Housing Transition Navigation Services provider). However, this may only be one component of the support a participant needs. In addition to the supportive services that may be provided by the Operator, program participants may need additional ongoing housing supportive services to maintain safe and stable tenancy. The Operator and housing supportive services providers should work together closely to determine who will provide these services and ensure that the participant’s full spectrum of needs is addressed, including promptly addressing any issues that might lead to eviction. The population(s) of focus of each Flex Pool will inform which supportive service providers are needed. The Operator and the supportive services providers must have close working relationships, clear lines of responsibility, and act as one care team working on behalf of the participant. The supportive service providers benefit from the Flex Pool model because it removes some of the burden, such as housing navigation, unit identification, and landlord negotiation, which frees up additional bandwidth and resources for the housing service providers to focus on meeting other participant needs. In some cases, referrals to the Flex Pool will come from the housing support services providers. Examples of these providers include, but are not limited to, CoC-funded homeless and housing service organizations, county behavioral health department-funded Assertive Community Treatment teams, and MCP Community Supports providers of Housing Transition Navigation Services or Housing Tenancy and Sustaining Services.⁷

⁷ See the [Medi-Cal Community Supports Policy Guide](#) for more information on Housing Transition Navigation Services and Housing Tenancy and Sustaining Services.

Flex Pools and Community Care Hubs⁸

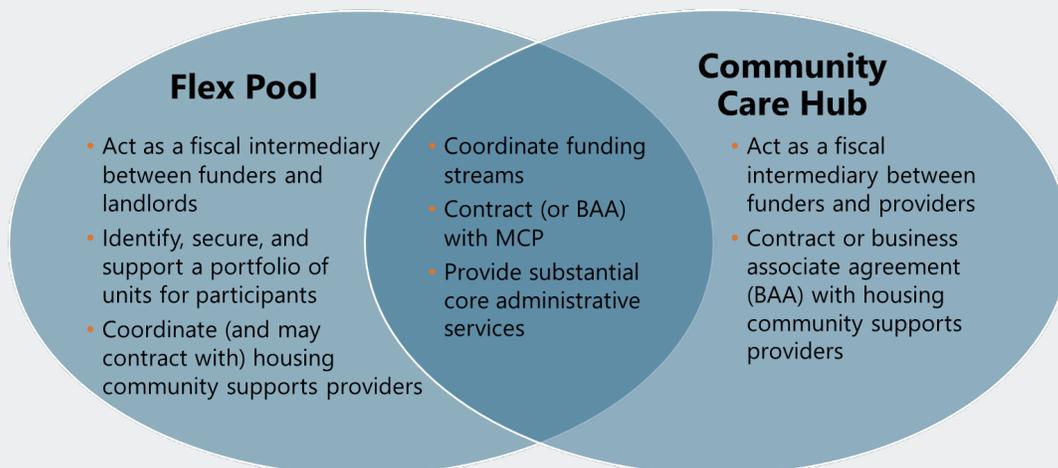
A community care hub is an organization that centralizes administrative functions for Medi-Cal direct service provider organizations of Community Supports, Enhanced Care Management, and other Medi-Cal benefits, acting as an intermediary between MCPs and community-based organizations. DHCS encourages MCPs to engage with community care hubs to create efficiencies and reduce the administrative burden for providers. Community care hubs offer providers, such as community-based organizations (CBOs) and community health workers (CHWs) who do not have historical experience in contracting directly with MCPs, certain core administrative capabilities to enable MCP contracting and service delivery to Medi-Cal members.

The core functions of community care hubs and the Flex Pool model are overlapping but are not necessarily the same. The key distinguishing feature of the Flex Pool is that it acts as a fiscal intermediary with landlords to secure housing stock. A community care hub typically acts as an intermediary specifically between an MCP and smaller CBOs providing supportive services and may or may not act as a fiscal intermediary.

An entity could operate only as a Flex Pool, only as a community care hub, or as both. If operating as both, the Flex Pool could potentially:

- **Be the Transitional Rent Provider**, i.e., the provider contracted with the MCP to deliver Transitional Rent, working directly with landlords; AND
- **Be the Housing Deposits Provider**, i.e., the provider contracted with the MCP to deliver Housing Deposits, working directly with landlords; AND
- Serve as an **intermediary (hub) between the MCP and subcontracted Community Supports Providers** for Housing Transition Navigation and Housing Tenancy Sustaining Services.

The Venn diagram below illustrates the unique functions of each model and the overlap.



(D) Funder(s): Funders are essential to a Flex Pool and can include federal, state, county, and/or municipal government agencies; Medi-Cal MCPs; and philanthropic or private donors. Funders contributing to Flex Pools must have resources for rental assistance, general administration, and/or startup expenses (see additional detail on these funding categories in Section V) and people experiencing or at risk of homelessness as an eligible population of focus, and often one Funder assumes the role as Lead Entity. Existing Flex Pools have been funded through such sources as county general funds, local or county bonding or special revenue funds (e.g., Los Angeles' Measure H), California Homeless Housing, Assistance Prevention (HHAP) grants, Medi-Cal Community Supports, and MHSA funds, as well as private and philanthropic grants. Critical sources of funding that could be administered through Flex Pools include BHSA funds, a portion of which must be used for Housing Interventions, and the proposed Transitional Rent benefit under Medi-Cal. (See additional detail on funders in Sections V and VI.)

(E) HUD-Funded Subsidy Providers: Flex Pools can be most successful when they also help increase participants' access to HUD-funded rental subsidies, where applicable. For example, many Flex Pool participants can transition from subsidies administered by the Flex Pool (e.g., Transitional Rent) to HUD-funded subsidies that are managed outside of the Flex Pool, thereby freeing up Flex Pool resources to assist other participants. To maximize access to these HUD-funded subsidies, Flex Pool Lead Entities and Operators should coordinate with PHAs, who administer HUD-funded housing vouchers, and CoCs, who oversee access to HUD-funded housing programs for people experiencing homelessness like permanent supportive housing. Coordination might include coordinated referral pathways, policy changes to prioritize Flex Pool participants for vouchers and permanent supportive housing, alignment of housing quality and payment standards, bilateral landlord engagement, or other activities.

- » **PHAs** manage access and admission to federal housing vouchers through waitlists, and often by establishing admission preferences that can prioritize certain individuals over others based on criteria, such as their homelessness status. Jurisdictions establishing Flex Pools should coordinate with their local and regional PHAs to better understand their available vouchers, waitlist policies, admissions preferences, and rental housing payment standards.

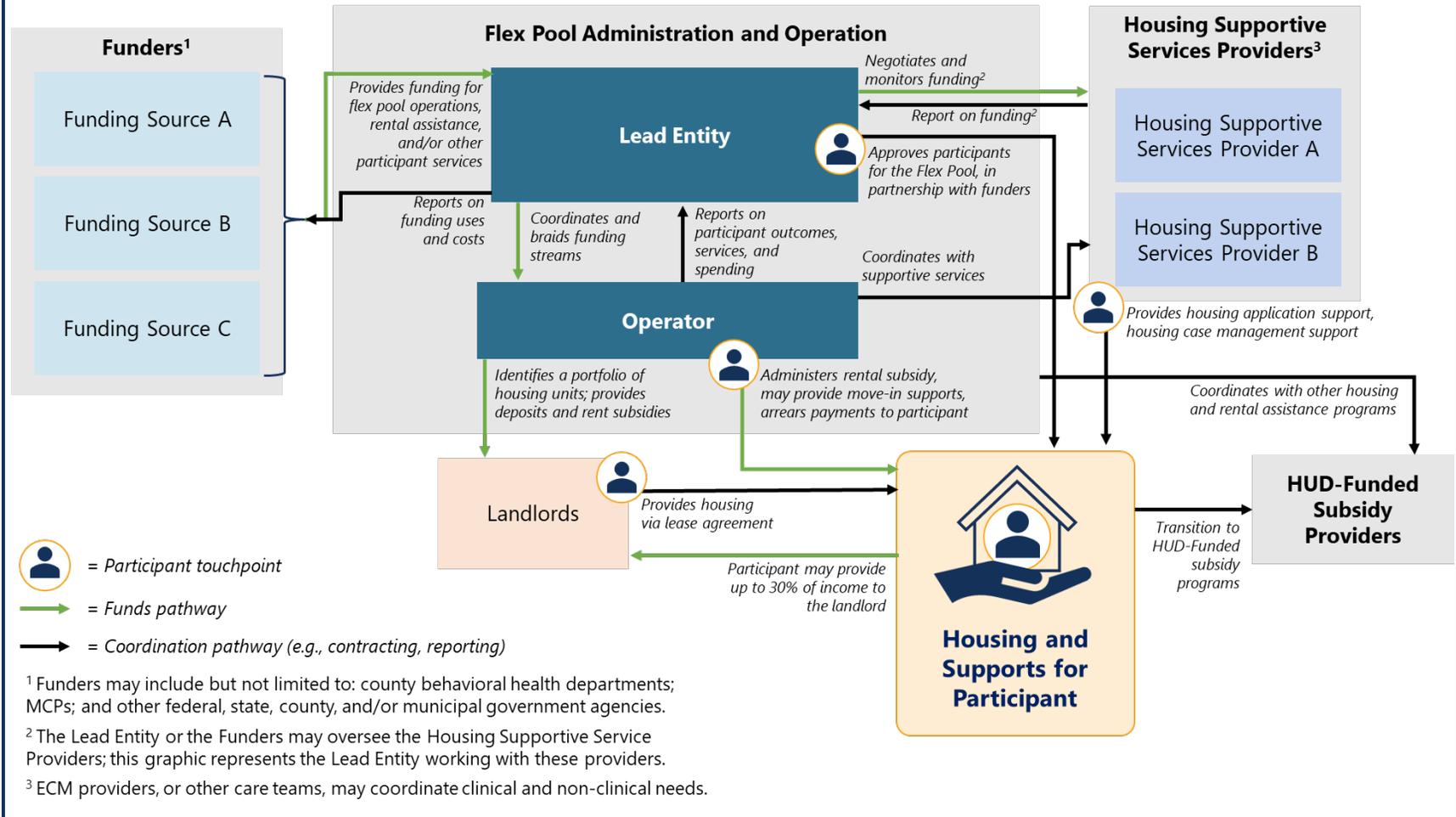
⁸ See Donnelly, J., Nielson, B., & Owens, B. (October 2024). [Exploring Emerging Medi-Cal Community Care Hubs](#). *California Health Care Foundation*. (Core functions of a community care hub on p. 9.)

- » **CoCs** oversee access to the majority of HUD-funded homelessness specific housing programs targeted to people experiencing homelessness, such as permanent supportive housing and rapid rehousing. Access and priority for these programs is through what is known as “Coordinated Entry systems,” in which people experiencing homelessness are assessed, matched, and prioritized for available homeless-specific housing programs. A CoC may participate in the Flex Pool model in several ways, such as by administering HUD-funded programs through the Flex Pool, serving as the Lead Entity, and/or serving as the Operator.⁹ If the CoC is not participating in the Flex Pool, the Flex Pools should coordinate with CoCs and their Coordinated Entry systems, both to determine how Flex Pool participants can obtain access to CoC’s HUD-funded programs and to see how Flex Pools can assist people assessed through coordinated entry systems.

In addition to PHAs and CoCs, Flex Pools should also coordinate with other local housing agencies including county and municipal housing departments, owners of housing subsidized through Low Income Housing Tax Credits, and owners of HUD-assisted Multifamily Housing.

⁹ For example, in San Diego County, the CoC lead agency is the Flex Pool Lead Entity (see additional detail in Section IV. Summary of Landscape Scan). Additionally, in Los Angeles County, the Flex Pool Lead Entity has responsibility to provide access to supportive housing for high acuity individuals and families experiencing homelessness and works closely with the CoC lead agency and the local county behavioral health department to ensure optimal program connections for individuals.

Flex Pool Ecosystem



III. THE VALUE OF A FLEX POOL

The primary value of a Flex Pool is that it can efficiently and effectively administer rental subsidies within a complex, multi-program funding environment and make rental units available to people who need them. Further, the Flex Pool creates a seamless experience for 1) landlords, 2) participants, and 3) housing supportive services providers. Funders, such as county behavioral health departments administering BHSAs Housing Interventions and MCPs covering the Transitional Rent benefit in Medi-Cal, in turn, benefit from the value delivered to landlords, participants, and supportive services providers in myriad ways that make the investment worthwhile. Flex Pools can solve a number of challenging problems, as follows:

- » **Centralization Helps Provide Consistency and Clarity for Landlords:** Landlords are often burdened by the myriad forms, approval processes, eligibility definitions, rent payment standards, and housing quality standards of multiple rental subsidy programs. For example, landlords with familiarity working with HUD vouchers may be confused to find that there are different rules and processes for a county rental subsidy program and vice versa. When Flex Pools centralize the administration of multiple funding sources into a single rental subsidy operational infrastructure, this can reduce confusion for landlords, though not changing the reality that programs still have varying eligibility criteria. Flex Pools can also minimize unproductive rent inflation due to competition between service providers in the homeless services and rehousing space by setting clear and consistent payment and program standards for working with all area landlords.
- » **Unit Inventory Reduces Time Spent on Housing Search and Increases Housing Placements:** California has a very challenging housing market, with a shortage of nearly one million rental homes that are affordable and available for extremely low-income renters.¹⁰ Even for individuals with housing vouchers, securing a unit is a barrier; a recent study in Los Angeles (LA) County found that only 65% of households experiencing homelessness issued a HUD Housing Choice Voucher are able to lease a unit, and it takes them an average of 122 days.¹¹ Both the tight rental market and landlord discrimination play roles. Flex Pools offer a way to entice landlords to house people experiencing or at risk of homelessness. They do this by building strong

¹⁰ See National Low Income Housing Coalition's webpage on housing needs in California: <https://nlihc.org/housing-needs-by-state/california>.

¹¹ Khadduri, J., Fiore, N., Dastrup, S., Dunton, L., Stater, K. J., & Yang, H. (July 2022). [Using Tenant-Based Vouchers To Help People Leave Homelessness](#). *Abt Associates*.

relationships, providing excellent customer service, paying quickly and consistently, minimizing vacancies, and potentially offering other incentives to them (e.g., unit holds, damage mitigation funds). Housing units are available to participants through the Flex Pool portfolio, eliminating the need to compete with the entire private housing market. This takes the burden of the housing search and landlord engagement off other care team members (e.g., housing supportive service providers). Additionally, more participants who receive vouchers are placed in permanent housing due to successful unit acquisition, and the improved access to units can lead to **faster move-ins** and **better outcomes** for participants.

- » **Flexibility Helps to Meet Participant Needs:** Many publicly funded housing programs have strict programmatic and administrative rules that can make it challenging to respond to diverse participant needs. For example, there may be time-consuming documentation and inspection requirements or lease terms needed. Flex Pools can move quickly (e.g., signing agreements or cutting checks), nimbly (e.g., streamlining and sequencing, as allowable, documentation requirements to expedite admission), and creatively (e.g., potentially providing rental assistance in ways that other programs cannot, such as “shallow” subsidies, master leasing, shared housing, non-traditional housing settings, etc.). This flexibility ultimately depends on the flexibility of the funding sources going into the Flex Pool and the continued willingness of funders and administrators to prioritize flexibility.
- » **Centralized Administrative and Program Functions Can Serve Many Housing Programs and Populations:** Once a Flex Pool is established, the processes and infrastructure can be used to support rental subsidies for additional populations when new or different funding sources become available. For example, LA County’s Flex Pool, which was initially serving participants identified by the county health agency, was later expanded to serve people with behavioral health needs who were either diverted from jail or under probation supervision through the additional of new funders.
- » **Participants Housed and Participant Housing Retention:** Ultimately, participants are placed in permanent housing and retain this housing more effectively via Flex Pools, which reduces the number of individuals experiencing homelessness, experiencing adverse health outcomes, and needing additional costly services. This enables participants to live in the community with maximum autonomy, limiting the use of restrictive and costly institutional care.

IV. SUMMARY OF LANDSCAPE SCAN

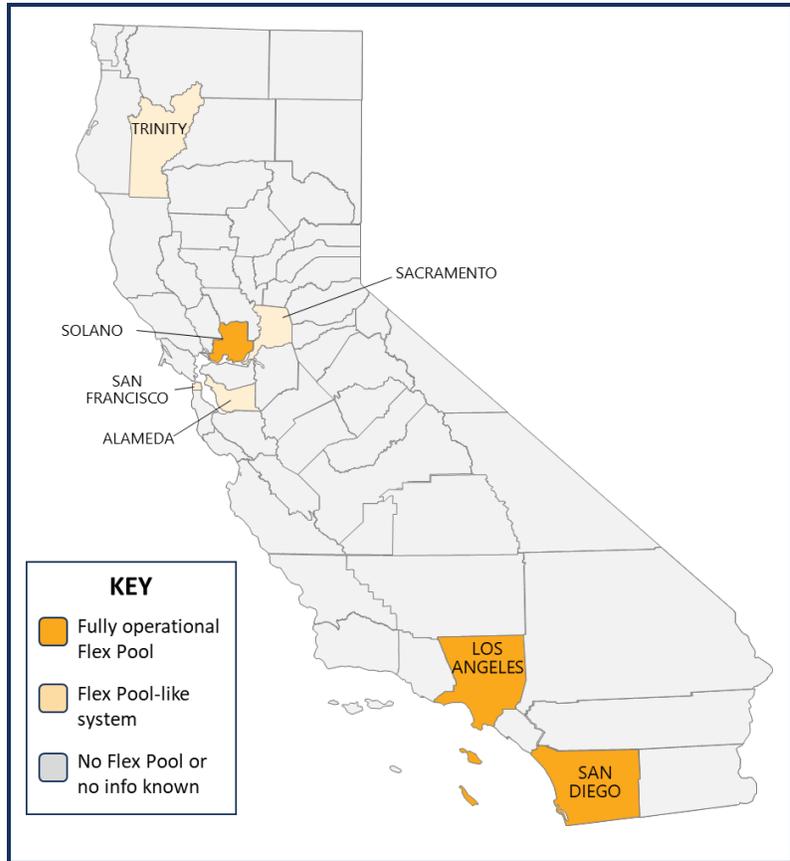
*Note: In this section, we refer to the various models as “Flex Pool-like systems” given not all of these reference models have **all components of a Flex Pool** as outlined in Section III (i.e., centralizing for the four core functions of a Flex Pool). Additionally, several interviewed entities indicated they do not use the term “Flex Pool” to describe their programs.*

To gain insights into the status of Flex Pool-like systems across California, DHCS conducted a landscape scan. This analysis included interviews with representatives from counties, MCPs, current Flex Pool and Flex Pool-like system operators, and PHAs. The interviews spanned both urban and rural areas and involved entities at different stages of implementation, ranging from those exploring the concept to those actively launching and operating these systems. The interviews were not exhaustive and there may be additional Flex Pools or Flex Pool-like systems planned or in operation of which we are not aware.

Overview by County

Among those regions assessed, LA, San Diego, and Solano Counties perform all four core functions of a Flex Pool centrally. In LA County, the Lead Entity, Housing for Health (part of LA County’s Department of Health Services (DHS)), coordinates and braids funding streams and reports to funders, while the Operator, Brilliant Corners, focuses on landlord- and participant-facing activities, like engaging landlords and tenants, identifying and securing units, and acting as a fiscal intermediary. In San Diego, the Lead Entity—which is the CoC lead agency—Regional Task Force on Homelessness (RTFH), leads the implementation of the Flex Pool and braids funding streams, as needed, and the Operator, Brilliant Corners, conducts the landlord- and participant-facing activities. To date, San Diego County’s Flex Pool primarily does not directly administer the rental subsidies due to a lack of locally available rental subsidies, and instead contracts with providers with unused vouchers that directly administer the subsidies; however, RTFH indicated its goal to administer the subsidies directly through the Lead Entity in the future. In Solano County, the county Behavioral Health Division serves as the Lead Entity, braiding the funding streams, and has contracted with Abode Services to perform the role of the Operator. Abode Services provides street outreach, housing navigation, subsidy administration (including landlord engagement, and securing new units), and rapid rehousing.

By contrast, San Francisco County's and Alameda County's Flex Pool-like systems implement the four core Flex Pool functions in a more decentralized manner. In both cases, the county serves as the Lead Entity (Department of Homelessness and Supportive Housing in San Francisco, and Housing and Homelessness Services Department in Alameda) responsible for coordinating and braiding funding streams, while various providers perform the functions typically performed by a single Operator. Although this decentralized structure can be



successful, other interviewees (not associated with these two Flex Pool-like systems) raised concerns that dividing the responsibility to identify, secure, and support a portfolio of units may lead to competition for units and landlord relationships among providers.

In Trinity County, the Department of Health and Human Services operates a Flex Pool-like system, in which the county acts both as the Lead Entity and Operator role. The county centrally performs three of the Flex Pool core functions, though this system does not currently coordinate housing supportive services.

In Sacramento County, the landlord- and participant-facing functions are centralized, with the Operator, Bay Area Community Services (BACS), processing payments, securing units, and coordinating housing supportive services. However, this model currently does not include coordination and braiding of funding streams, as the funding flowing through the Lead Entity, the county's Department of Homeless Services and Housing, all originate from a single source.

General Themes of Landscape Scan

Across these Flex Pool and Flex Pool-like systems, most often a county department serves as the Lead Entity, with interviewees emphasizing that county departments often provide a strong backbone that is essential for a system's success. The one known exception is San Diego's system where the Lead Entity is the CoC lead agency.

In Flex Pool and Flex Pool-like systems that have centralized landlord- and participant-facing functions, the Lead Entity either contracted with a local housing provider to serve as the Operator or assumed that role itself. Interviewees identified successful Operators as those with strong administrative and financial capabilities, effective communication with counties, MCPs, and landlords, and strong relationships with funders to ensure substantial financial reserves. Several interviewees mentioned that in smaller or more rural counties, it may be more practical for the Operator to be a county department or CoC, given the administrative capabilities required and limited housing providers available.

Of the identified Flex Pool and Flex Pool-like systems, only LA County had received significant behavioral health funding, including MHSA. At this time, there is not yet an example of a county behavioral health department as the Lead Entity.

Since these existing systems were developed prior to the creation of Transitional Rent as a Medi-Cal covered service, the involvement of MCPs vary significantly. Some MCPs contract with Flex Pool Lead Entities or Operators and Flex Pool-like systems as Community Supports providers.¹² For example, in LA County, the Lead Entity contracts with multiple MCPs to deliver Medi-Cal Housing Deposits through their subcontracted Flex Pool Operator, who also offers housing acquisition and rental administration through non-Medi-Cal funding sources. LA County DHS also contracts with MCPs to centrally provide Housing Transition Navigation Services and Housing Tenancy and Sustaining Services through their subcontracted network of housing supportive services providers that they pay directly (i.e., outside of the Flex Pool Operator).¹³ The county

¹² L.A. Care, Health Net, Kaiser Permanente (in Los Angeles), San Francisco Health Plan, Alameda Alliance, Anthem (in Alameda), and Blue Shield in San Diego are all examples of existing MCPs that contract with Flex Pool Lead Entity or Operators.

¹³ The centralized administration of these other housing-related Community Supports is performed external to the Flex Pool because LA County DHS already had existing contracts directly between DHS and the subcontractors when Community Supports was launched. LA County DHS chose to continue this operational infrastructure for contracts and payment rather than fold it into the Flex Pool, but still centrally coordinates both housing supportive services and rental assistance at the member level.

facilitates close coordination between those housing supportive services providers and the Flex Pool Operator. In San Francisco and Alameda County, the Lead Entities in the Flex Pool-like systems each contract with local MCPs as housing-related Community Supports providers, and partner with a subcontracted network of housing supportive services providers to deliver those Community Supports, as well as coordinating access to subsidies, unit acquisition, and other housing-related services through the local Coordinated Entry System.

Multiple MCPs have also invested in Flex Pool-like systems using HHIP funds or philanthropic resources, encouraged by the positive housing outcomes these systems can offer for their members. Other MCPs, while not yet involved, expressed interest in adopting this model, especially to enhance the delivery of Transitional Rent services.

Multiple interviewees also highlighted that their Flex Pool's collaboration with their local PHA facilitates smoother transitions for individuals moving from a state or local housing subsidy program to a permanent federal housing subsidy program.

V. CONSIDERATIONS FOR LAUNCHING A FLEX POOL

While each region may have a unique approach to conceptualize and launch their Flex Pool, the ingredients described below are considerations that may support all regions in the successful launch and eventual operations of a Flex Pool.

Flex Pool Champion: The development of a Flex Pool is generally led by a passionate and committed champion, either an individual or organization, who believes in the potential of a Flex Pool to improve housing outcomes in the community and can either serve as or support the Lead Entity. In most cases, the champion is in a position of leadership within local government steeped in one or more issues of housing, homelessness, or health care, *and* has demonstrated experience moving the bureaucracy and forging creative collaborations. A program champion and Lead Entity situated within a governmental agency, or closely connected to local government, is important for several reasons, including 1) strong collaboration is often required among multiple government agencies during the implementation and operating phase, 2) it is often necessary to share and braid financial resources that are spread amongst multiple agencies, and 3) in most cases, there will need to be some specific approvals and authorization secured from governing bodies (e.g., boards of supervisor, city council) to launch a Flex Pool.

Funding and Cost Considerations: The Lead Entity will need to identify what sources of funds can be committed to the Flex Pool to ultimately flow to the participants. This work may involve negotiations with a range of other public agencies, MCPs, and philanthropies (described in Section II). For example, LA County's Flex Pool began with county discretionary and philanthropic funding, added a large MCP grant and county bond measure funding early on, and then grew over more than a decade to have over 30 funding sources, including MCP Community Supports contracts and MHSA funds. Important considerations include understanding funding restrictions and length of time funding is available, including whether or not it is renewable. From a program operations perspective, it is advantageous to have the most flexible and longest-term funding possible. However, in most cases, the Lead Entity will need to braid funds based on their restrictions and timing constraints.

When operating a Flex Pool, two main costs must be considered:

- » **Rent subsidies, move-in assistance, and related costs:** The most important and costly expense will be paying monthly rent subsidies. This cost should be modeled based on (1) the Flex Pool's annual projected rent subsidy goal, (2) projected program participant uptake, (3) annual rent price increases, and (4) anticipated cost of holding fees for vacant units (if used, which is a best practice). Programs will also need to budget for costs related to having successful move-ins such as deposits, furniture, and other special requirements of a tenant.
- » **General administration, staffing, and contractor costs:** The Lead Entity will need to pay for staff and general administrative costs. The required staffing level will vary based on the program's size; however, in general, at least one full-time employee will be required to manage the implementation and ongoing operations of the program from the Lead Entity's perspective. The other cost is for the Operator, which may include dedicated staff, technology (i.e., documentation or systems upgrades), and other related costs.

The appropriate funding needs to be identified to support the full package of expected Flex Pool costs, including rental subsidies / housing resources for participants, administrative funding, and startup funding. **Section VI.E. includes additional detail on start-up funds available to invest in Flex Pool development.**

Population(s) of Focus: The initial population(s) of focus eligible for rental subsidy through the Flex Pool will need to be identified; this determination will be directly influenced by the available funding sources for the Flex Pool. Clearly defining the population of focus often has the effect of galvanizing the effort and developing the rationale for the program. The initial population(s) of focus can be expanded upon in

the future. Once the Flex Pool infrastructure is built, it is relatively easy to expand upon to serve additional participants, should the need and funding become available. For example, Flex Pools may choose to start by serving the behavioral health population eligible for Transitional Rent and BHSA Housing Interventions and may expand to other populations once the Flex Pool infrastructure is in place (e.g., other populations eligible for Transitional Rent).

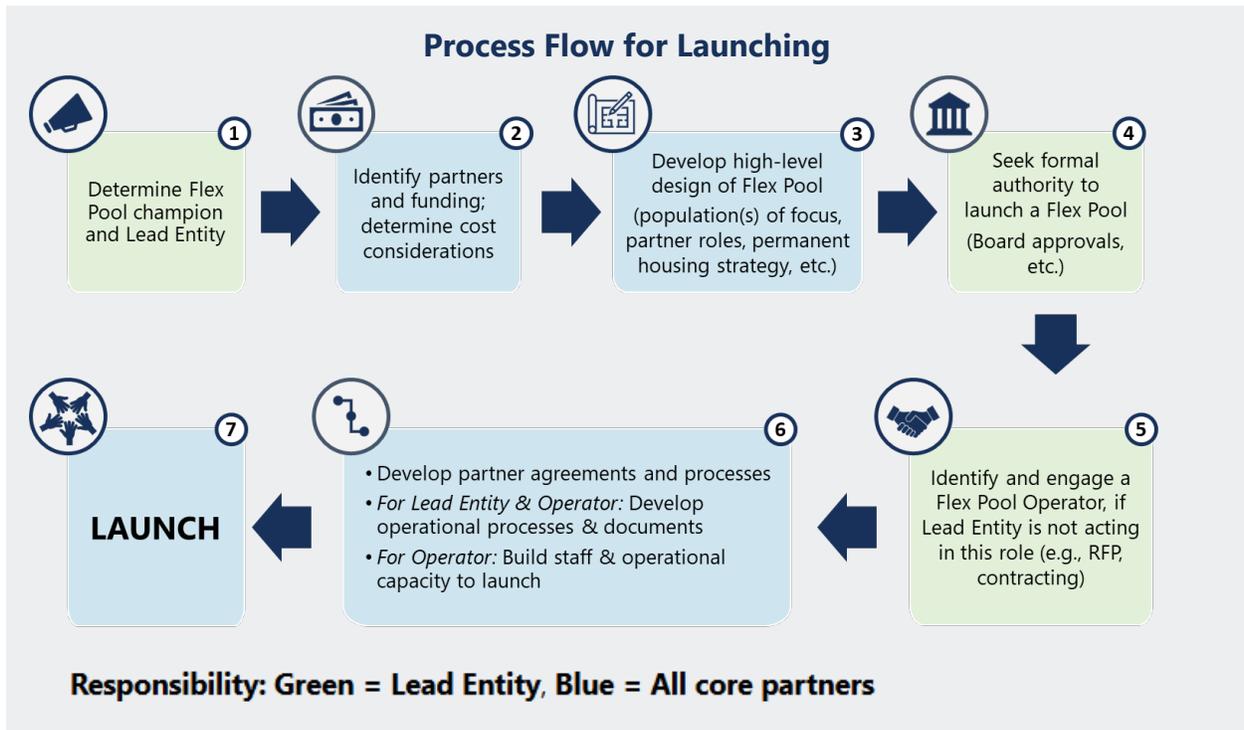
Defining the population of focus is also necessary to begin the process of program design. The definition of Flex Pool program participants will often inform which agency will be the Operator, what funding sources can be utilized, and which governmental and community agencies are likely partners for the effort. For example, in the LA County Flex Pool, it was clear from the onset that the program was being developed to accomplish a specific goal—to provide housing to people experiencing homelessness who were high utilizers of the county health system. Defining this population of focus allowed the program implementors to build a cogent rationale that made sense to government officials, outside funders, and the provider community.

Program Design: The two program models summarized below are meant to provide a general sense of the ways in which Flex Pools can be structured. This is not meant to be a rigid framework and there are other options or variations to the models described below that could work as well.

(1) Flex Pool Centralizes Braiding of Funds: The central feature of this model is that the Lead Entity is responsible for the overall financial health of the Flex Pool by securing multiple sources of funding necessary to sustain the Flex Pool. The Lead Entity may provide some of its own funding but will also contract or work with other entities such as other county departments, MCPs, and philanthropy to bring in additional funding. The Lead Entity may also execute additional contracts for the provision of housing supportive services or, if not directly funding, negotiate for the provision of housing supportive services through governmental agencies, MCP funders, and/or community providers. In some instances, likely in smaller scale programs, both the Flex Pool Lead Entity and housing supportive services can be provided by the same organization if they possess the skill and capacity for such work.

(2) Flex Pool with Decentralized Braiding of Funds: Another model for a Flex Pool is to have some or all of the funding flow directly to the Operator and other partners, rather than through the Lead Entity. For example, a county behavioral health department is the Lead Entity and contracts with a housing supportive services provider as the Flex Pool Operator. In their role as Lead Entity, the behavioral health

agency might provide the Flex Pool Operator with a portion of the needed funding, but then require the Operator to contract with other partner entities (i.e., MCPs, CoCs, housing agencies) to leverage the funding they have provided to increase the scale and possibly the scope of the program.



VI. USING FLEX POOLS TO ADMINISTER TRANSITIONAL RENT AND BHSA HOUSING INTERVENTIONS

The rental assistance and related funds newly available under Transitional Rent and the BHSAs Housing Interventions provides a strong foundation for the creation of a Flex Pool in communities that have yet to establish one. For county behavioral health departments and MCPs, Flex Pools provide a means of leveraging and coordinating BHSAs Housing Interventions and Transitional Rent to maximize success in housing BHSAs-eligible individuals and MCP members experiencing or at risk of homelessness.

DHCS offers the following as guidance for communities seeking to use Transitional Rent and the BHSAs to develop a Flex Pool, or to integrate Transitional Rent and BHSAs Housing Interventions into their existing Flex Pool.

A. Program Eligibility Criteria Mapping

BHSAs Housing Interventions and Transitional Rent have different but partially overlapping eligibility criteria. Communities should carefully map how eligibility criteria for these and other planned Flex Pool funding sources align in order to define their population(s) of focus and map how participants can move from one program to another on the path to permanent housing stability. ***See Appendix B for a detailed comparison of Transitional Rent and BHSAs Housing Intervention eligibility criteria.***

B. BHSAs Mandate to Maximize Coverage and Funding Under Medi-Cal

Medi-Cal offers many housing-related resources to address the needs of people experiencing or at risk of homelessness. Communities can assess their existing portfolio to identify if any services can be better provided via Medi-Cal programs, potentially freeing up more flexible local resources to create and expand housing opportunities through Flex Pools. For example, locally-funded providers of housing navigation could contract with their local MCPs to provide Housing Transition Navigation Services and serve community members using Medi-Cal Community Supports funds. Communities should also ensure that they have strong practices in place to assist people experiencing or at risk of homelessness with enrolling in and renewing their Medi-Cal coverage.

The BHSAs provides funds to support Housing Interventions that cannot be paid for under Medi-Cal. This includes funding for services to individuals who are not enrolled in Medi-Cal and for housing supports not covered by Medi-Cal or an individual's Medi-Cal

MCP. In cases in which an individual can receive coverage of a housing support service through their MCP, BHSA funds may not be used to cover that service. Specifically, Welf. & Inst. Code § 5830(c)(2) provides that BHSA funds may not be used for “housing interventions covered by a Medi-Cal managed care plan.” This means that an individual enrolled in an MCP may not receive a service using BHSA funds that is covered for the individual by their MCP.

All MCPs currently cover the Community Supports “Housing Trio” (i.e., Housing Deposits, Housing Transition Navigation Services, and Housing Tenancy and Sustaining Services) and nearly all cover Recuperative Care and Short-Term Post-Hospitalization Housing.¹⁴ Coverage of Transitional Rent will be optional for MCPs beginning on July 1, 2025. Effective January 1, 2026, all MCPs will be required to cover Transitional Rent for individuals meeting the Behavioral Health Population of Focus criteria.¹⁵

A BHSA-eligible individual must receive coverage of housing supports through their MCP whenever possible, and only when MCP coverage is unavailable may BHSA funds be used for housing supports.

MCP coverage may be unavailable in the following circumstances.

- » The individual is not eligible for Medi-Cal.
- » The individual is enrolled in Medi-Cal Fee-for-Service.
- » The housing-related Community Support is optional (e.g., Housing Trio) and the individual’s MCP does not cover it.
- » The individual is not eligible for the Community Supports.
- » The individual has exhausted the benefit covered by the MCP (e.g., the individual has received six months of rental assistance under Transitional Rent or reached the expenditure cap for the MCP’s coverage of Housing Deposits).
- » The specific cost or activity is not included in the MCP-covered service (e.g., Housing Deposits does not cover ongoing utilities).

Communities can and should use Flex Pools to help them maximize Medi-Cal coverage for eligible services and appropriately coordinate and track which participant costs are Medi-Cal eligible and which should be covered by BHSA or other sources.

¹⁴ See [CalAIM Community Supports – Managed Care Plan Elections](#).

¹⁵ See Appendix C for the Transitional Rent implementation timeline.

C. Considerations for County Behavioral Health Departments Exploring a Flex Pool Model for BHSA Housing Interventions

The BHSA is a relatively flexible funding source and permits coverage of a wide range of expenses. Communities can take advantage of this flexibility to support Flex Pool implementation and operations in the following ways.

- » **Create new, locally-controlled permanent rental subsidy slots.** BHSA offers an exciting new opportunity for counties to create new permanent rental subsidies for people experiencing homelessness with significant behavioral health needs (including substance use disorders (SUDs)). Dedicating a significant portion of BHSA Housing Interventions funding to new rental subsidies will make it possible to house additional participants and ensure that the Flex Pool starts with a meaningful new permanent rental subsidy allocation.
- » **Provide advance payments.** County behavioral health departments can work with their Flex Pool Operators, tasked with mature tracking and monitoring of expenditures, to ensure timely and accurate reconciliation and to support their own compliance with BHSA spending and reporting requirements. (See additional detail on the need for advance payments in Section II.A.)
- » **Pay Appropriate Rates for Administration.** BHSA Housing Interventions funds can be used to cover administrative costs of a Flex Pool Operator in proportion to the number of BHSA-eligible individuals served by the Flex Pool.
- » **Support Unit Acquisition.** BHSA Housing Interventions can cover expenses critical to effective unit acquisition and landlord relations that cannot be funded under Transitional Rent. This includes expenditures to support effective unit acquisition and landlord relations, such as signing bonuses, damage mitigation fees, unit holding fees, property improvement costs, or other landlord incentives, as well as landlord outreach costs. These costs can be covered in proportion to the number of BHSA-eligible individuals served by the Flex Pool.
- » **Ensure Coverage of Client Services Not Covered by the MCP.** The BHSA can be used to cover services not covered by the MCP such as move-in and set-up costs not covered under Housing Deposits (e.g., pet fees) and landlord mitigation costs (e.g., payment for damages) for BHSA-eligible participants.
- » **Invest in data exchange.** Like MCPs, county behavioral health departments should work to improve data sharing and exchange with Flex Pool Operators and associated providers.

D. Considerations for MCPs Exploring a Flex Pool Model for Transitional Rent

While subject to DHCS requirements, MCPs have significant discretion in how they implement the services they cover. MCPs can use that discretion to support Flex Pool operations in the following ways.

- » **Provide advance payments and reconcile.** While MCPs typically pay on a reimbursement basis after services have been delivered to the member, this approach presents challenges for a Flex Pool. MCPs investing in Flex Pools should consider providing the Flex Pool with at least some advance funding—e.g., MCPs could develop a third-party administrator-type contract in which the Flex Pool is paid prospectively based on expected expenditures, and then later provides claims or invoices for rendered Transitional Rent services in accordance with Community Supports billing guidance. Through a reconciliation process, MCPs can ensure that all funds provided are used for covered services rendered to MCP members and any remaining, unused funds are returned to the MCP. Notably, some MCPs are already successfully employing this method for Housing Deposits.¹⁶ (See additional detail on the need for advance payments in Section II.A)
- » **Make timely payments.** MCPs paying on a reimbursement basis should pay clean claims as quickly as possible.¹⁷ Delays in payment create cash flow issues that further shift the burden of advance payment to other funders.
- » **Provide appropriate administrative payment.** MCPs should contribute toward the Flex Pools' administrative costs. Transitional Rent payments to MCP will include a separate administrative rate, which MCPs can use to cover the administrative costs in their rates with Flex Pools.
- » **Reduce, simplify, and align administrative requirements.** MCPs must ensure that Medi-Cal payments are made in accordance with federal and state requirements, including maintaining program integrity and establishing guardrails against fraud, waste, and abuse. MCPs have discretion with respect to the administrative requirements they establish in connection with their covered services. MCPs should seek to reduce and simplify these requirements and align them with other funders of the Flex Pool, including other MCPs and, to the extent possible, county behavioral

¹⁶ Anthem, Health Net, and Kaiser have existing programs to pay some or all of their Housing Deposits providers in advance and reconcile claims after the fact.

¹⁷ MCPs are required to timely pay claims as detailed in [APL 23-020](#).

health departments. Doing so will help Flex Pools operate even more efficiently. Additionally, DHCS will release statewide guidance that standardizes referral and authorization practices for Transitional Rent, so that practices are as aligned as possible among MCPs, providers (including Flex Pools), counties, and other referral sources at launch.

- » **Invest in data exchange.** MCPs should work to improve data sharing and exchange with Flex Pool Operators and associated providers. Specifically, this could mean regular reporting on Flex Pool participants' MCP enrollment and renewal status, timely and complete Authorization Status Files for Community Supports, supplemental claims and payment reports, data exchange with Homeless Management Information System (HMIS), or other new reports and interfaces.

E. Start-Up Funds Available to Invest in Flex Pool Development

In the period before Transitional Rent goes live and the BHSA takes effect, communities can marshal resources to support the development and maturation of local Flex Pools. Available resources may include, but are not limited to:

- » **MHSA Funds.** Counties can use their MHSA funds to provide rental assistance, and other housing supports administered through a Flex Pool until July 1, 2026. Specifically, counties can pay for housing services under the Community Services and Supports category for individuals enrolled in FSP and may also be able to pay for housing services under the Innovation and Prevention and Early Intervention categories.
- » **MCP Community Reinvestment Funds.** MCPs can invest in Flex Pools as part of the MCP Community Reinvestment requirements. Permissible investments include Flex Pools costs, as well as funding for rental subsidies for individuals who have received the maximum six months of Transitional Rent and are ineligible for Housing Interventions through the BHSA.
- » **HUD HOME American Rescue Plan (ARP) Allocations.** Communities that received HOME ARP Funds from HUD can re-allocate a portion of those funds, many of which have not been fully spent, to support Flex Pool start-up and capacity building, as well as ongoing rental assistance and supportive services for individuals who are homeless or at risk of homelessness.¹⁸

¹⁸ See HUD's [HOME-American Rescue Plan Program webpage](#).

- » **State and Local Fiscal Recovery Funds (SLFRF).** Communities can use SLFRF funds to provide rental assistance and potentially, support the start-up or administrative costs of Flex Pools. SLFRF funds must be obligated by December 31, 2024, and spent by December 31, 2026.¹⁹
- » **Philanthropic Funds.** Several California Flex Pools have benefited from the investment of philanthropic funds. Prospective lead entities should consider seeking philanthropic support for Flex Pool launch and ongoing expenses not supported by other funders.

¹⁹ See U.S. Department of the Treasury's [State and Local Fiscal Recovery Funds webpage](#).

APPENDIX A. ADDITIONAL FLEX POOL RESOURCES

- » Abt Global. (April 2017). [Flexible Housing Subsidy Pool Brief: Evaluation of the Conrad N. Hilton Foundation Chronic Homelessness Initiative](#). *Abt Associates*.
- » Batko, S., Oneto, A. D., Elder, K., & Bond, L. (August 2022). [Master Leasing in Los Angeles](#). *Urban Institute*.
- » Change Well Project. (November 2021). [Landlord Engagement Guide: Strategies for homeless services systems and providers](#). *Change Well Project*.
- » Fiore, N., Dunton, L., Khadduri, J., Wilkins, C., & Ng, B. (September 2020). [Implementing the Los Angeles County Flexible Housing Subsidy Pool: Strategies and Lessons Learned](#). *Abt Associates*.
- » HUD Exchange. (February 2012). [COVID-19 Flexible Subsidy Pool Fundamentals: Essentials and How to Get Started](#). *U.S. Department of Housing and Urban Development*.
- » Stater, K. J., Fiore, N., & Khadduri, J. (January 2023). [Creating and Administering a Flexible Contract: Lessons from the Flexible Housing Subsidy Pool in Los Angeles County](#). *Abt Associates*.
- » Wildkress, D., & Lawrence, W. (January 2022). [Flexible Housing Subsidy Pool Guide](#). *Change Well Project*.

APPENDIX B. COMPARISON OF TRANSITIONAL RENT AND BHSA HOUSING INTERVENTIONS ELIGIBILITY CRITERIA

Eligibility Criteria	Transitional Rent	BHSA Housing Interventions
Medi-Cal Enrollment Status	<ul style="list-style-type: none"> Enrolled in Medi-Cal Managed Care 	<ul style="list-style-type: none"> Enrolled in Medi-Cal Managed Care; <i>or</i> Enrolled in Medi-Cal Fee-for-Service; <i>or (no Transitional Rent equivalent)</i> Non-Medi-Cal (<i>no Transitional Rent equivalent</i>)
Clinical Criteria	<ul style="list-style-type: none"> Meet the access criteria for SMHS; <i>or</i> Meet the access criteria for DMC or DMC-ODS services; <i>or (for BHSA Housing Interventions, individual must have at least one diagnosis of a moderate or severe SUD and county must opt to cover the provision)</i> Have one or more serious chronic physical health conditions (<i>no BHSA equivalent</i>) Have one or more physical, intellectual, or developmental disabilities (<i>no BHSA equivalent</i>) Individuals who are pregnant up through 12 months postpartum (<i>no BHSA equivalent</i>) 	<ul style="list-style-type: none"> Meet the access criteria for SMHS; <i>or</i> Have at least one diagnosis of a moderate or severe SUD (<i>the provision of BHSA Housing Interventions to individuals with a SUD is optional for counties</i>)
Social Risk Factor	<ul style="list-style-type: none"> Meet the HUD definition of experiencing or at risk of experiencing homelessness, with minor modifications¹ 	<ul style="list-style-type: none"> Meet the HUD definition of experiencing or at risk of experiencing homelessness, with minor modifications¹ (<i>50% of BHSA housing funds must serve chronically homeless, with a focus on those in encampments</i>)

Eligibility Criteria	Transitional Rent	BHSA Housing Interventions
<p>Criteria for Specified “Transitioning Populations”</p>	<p>In addition to meeting the housing status and clinical criteria, individuals must also be:</p> <ul style="list-style-type: none"> ● Experiencing unsheltered homelessness; <i>or (only BHSA equivalent if also chronically homeless)</i> ● Full-Service Partnership (FSP) eligible; <i>or</i> ● Specified transitioning population within specified eligibility windows—transitioning populations are as follows: <ul style="list-style-type: none"> – Transitioning out of an institutional or congregate residential setting; <i>or</i> – Transitioning out of a carceral setting; <i>or</i> – Transitioning out of a recuperative care or short-term post-hospitalization setting; <i>or</i> – Transitioning out of transitional housing, rapid rehousing, a domestic violence shelter or domestic violence housing, a homeless shelter or other interim housing; <i>or</i> – Transitioning out of foster care 	<p>No additional criteria; however, BHSA identifies the following priority populations:</p> <ul style="list-style-type: none"> ● Children and youth in the child welfare system; ● In, or at risk of being in, the criminal justice system; <i>(no Transitional Rent equivalent)</i> ● Reentering the community from prison, jail, or a youth correctional facility; ● At risk of institutionalization

¹ The modifications are as follows: (1) Individuals exiting an institution are considered homeless if they were homeless immediately prior to entering that institutional stay or become homeless during that stay, regardless of the length of the institutionalization. (2) The timeframe for an individual or family who will imminently lose housing is extended from 14 days for individuals considered homeless and 21 days for individuals considered at risk of homelessness under the current HUD definition to 30 days for both groups of individuals. (3) For the at risk of

homelessness definition at 24 CFR § 91.5, the requirement to have an annual income below 30 percent of median family income for the area, as determined by HUD, will not apply.

APPENDIX C. TRANSITIONAL RENT IMPLEMENTATION TIMELINE

Key Dates	Implementation Timeline
July 1, 2025	<p>Optional go-live for MCPs</p> <ul style="list-style-type: none"> • MCPs going live 7/1/25 can choose to go live for: <ul style="list-style-type: none"> – The behavioral health (BH) population of focus¹ that must go live 1/1/26, and/or – Additional populations within Transitional Rent-eligible populations – <i>if choosing this option, must continue offering to this population</i>
January 1, 2026	<p>Phase 1: Mandatory launch for all MCPs to cover Transitional Rent for BH population of focus</p> <ul style="list-style-type: none"> • MCPs may also choose to cover additional populations within the overall Transitional Rent-eligible populations
July 1, 2026 (BHSA go-live)	
January 1, 2027	Future phase-in of additional populations TBD

¹ The BH population of focus means individuals enrolled in an MCP that meet the access criteria for SMHS, DMC, or DMC-ODS and meet the social risk factor and specified “transitioning populations” criteria, as defined in Appendix B.