



Implementing the Los Angeles County Flexible Housing Subsidy Pool: Strategies and Lessons Learned



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About This Report

In 2014, the Los Angeles County Department of Health Services (DHS)'s Housing for Health Division, in partnership with other governmental partners and the Conrad N. Hilton Foundation, launched the Flexible Housing Subsidy Pool (FHSP), a permanent rental subsidy program for people experiencing homelessness who have complex physical and behavioral health conditions. The FHSP operationalizes the philosophy that housing is a crucial form of healthcare for clients with complex needs—by pairing flexible rental subsidies with ongoing case management services. Communities across the country have and continue to look at Los Angeles and the FHSP model as they develop responsive, flexible housing programs that meet the needs of their community members.

At the request of the Conrad N. Hilton Foundation, as part of a larger evaluation of the Foundation's Chronic Homelessness Initiative, Abt Associates revisited its 2017 examination of the FHSP. This report provides an updated description of the FHSP's current implementation and highlights the key characteristics of this housing assistance model. It also describes lessons learned during the first years of the program and offers recommendations for other state or local governments that may be considering replicating the program in their own communities.

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1. Introduction

Research shows that combining permanent rental subsidies with case management and voluntary psycho-social services is the most cost-effective way to end chronic homelessness for people with disabilities.¹ In 2014, the Los Angeles County Department of Health Services' (DHS) Housing for Health Division, in partnership with other governmental partners and the Conrad N. Hilton Foundation, launched the **Flexible Housing Subsidy Pool (FHSP)**, a permanent rental subsidy program for people experiencing homelessness who have complex physical and behavioral health conditions. The FHSP operationalizes the philosophy that housing is a crucial form of healthcare for clients with complex needs—by pairing flexible rental subsidies with ongoing Intensive Case Management Services (ICMS) provided to clients by local community organizations.

The objectives of the FHSP are to “improve health outcomes of vulnerable populations, reduce costs to the public health system, and help end homelessness in Los Angeles County.”² The FHSP was developed alongside pre-existing federally-funded housing subsidies and was intended to supplement them rather than replace them.

Since 2014, the FHSP has grown exponentially, leveraging more than \$800 million from local government agencies, philanthropic partners, and private entities. This investment has provided housing and supportive services to more than 7,500 individuals and families under additional subprograms targeted to a wider population of people experiencing homelessness across LA County. Communities across the country continue to look at Los Angeles and the FHSP model as they develop responsive, flexible housing programs that meet the needs of their community members. At the request of the Conrad N. Hilton Foundation, as part of a larger evaluation of the Foundation's Chronic Homelessness Initiative, Abt Associates revisited its 2017 examination of the FHSP.³

This report provides an overview of the FHSP's current implementation as of early 2020 and highlights the key characteristics of this housing assistance model. It also describes lessons learned during the early years of the program and offers recommendations for other state or local governments that may be considering replicating the program in their own communities. This

¹ Shinn, Marybeth and Jill Khadduri. *In the Midst of Plenty: How to Prevent and End Homelessness in the United States*. Hoboken, NJ: Wiley Blackwell. 2020.

² Moorghen, Marc. Public-Private Partnership Creates \$18 Million Fund to Provide Housing for High-Need Homeless Patients in Los Angeles County. Press Release. February 25, 2014. <https://www.hiltonfoundation.org/news/press-release/public-private-partnership-creates-18-million-fund-to-provide-housing-for-high-need-homeless-patients-in-los-angeles-county>

³ Flexible Housing Subsidy Pool Brief. Evaluation of the Conrad N. Hilton Foundation Chronic Homelessness Initiative. March 2017. https://www.hiltonfoundation.org/wp-content/uploads/2019/10/Flexible_Housing_Subsidy_Pool_Brief_Final.3.31.17-3.pdf

report also provides a discussion guide to help communities with the process of designing, funding, and implementing a flexible housing program (see the Appendix).

2. Designing the Flexible Housing Subsidy Pool

The Flexible Housing Subsidy Pool (FHSP) was created to provide housing and supportive services to people experiencing homelessness who have complex health needs, including disabilities, serious medical or behavioral health conditions, or other vulnerabilities, and are high utilizers of county medical services. The County's Department of Health Services (DHS) leadership and its partners designed the FHSP to complement existing strategies and programs that are used across Los Angeles County to provide rental subsidies and supportive services to people experiencing homelessness, including federal housing subsidy programs.

Designing the FHSP

Understanding the motivation and design of the FHSP is critical to understanding its implementation. Upon launching DHS's Housing for Health Division in 2013, DHS leadership explored how to expand housing options for people experiencing homelessness who were high utilizers of the county's healthcare system. In January 2013, approximately 8,800 people experiencing homelessness in Los Angeles County had chronic patterns of homelessness. In an effort to meet this large need for permanent housing solutions, DHS had been collaborating with housing developers to create a pipeline of permanent supportive housing (PSH), partnering with Board and Care facilities to serve clients who needed a higher level of care, and providing supportive services for PSH based on federally-funded rent subsidies. However, DHS concluded that these efforts alone would not produce sufficient units to meet demand in Los Angeles County. DHS leadership also determined that federally-funded rental subsidies were often too restrictive for some people with complex needs and therefore could not be used to house all people in Los Angeles County who experienced chronic homelessness.

Need for new housing subsidies in Los Angeles County

Public housing authorities (PHAs) in major metropolitan areas have long waiting lists for federal housing assistance. As of 2012, a third of all PHAs had estimated wait times of at least eight years or, like the Housing Authority of the City of Los Angeles (HACLA), had closed their waiting lists.⁴ A survey of 20 PHAs in 2015-2016 showed that larger PHAs (including those with closed waiting lists) had median wait times of three years.⁵ Except for some special purpose appropriations, notably for PSH for veterans, the federal government had made no new allocations of "incremental" Housing Choice Vouchers for many years. The only vouchers available for new households were based on turnover. HACLA and the Los Angeles Community Development Authority (LACDA)⁶ had been willing to use substantial shares of their turnover

⁴ Dunton, Lauren, Meghan Henry, Eliza Kean, and Jill Khadduri. Study of PHAs' Efforts to Serve Homeless People. Abt Associates, February 2014.

⁵ National Low Income Housing Coalition. The Long Wait for a Home. 2016.
https://nlihc.org/sites/default/files/HousingSpotlight_6-1_int.pdf

⁶ At that time, the Housing Authority of the County of Los Angeles (HACoLA).

vouchers for PSH, but it was not enough. Finally, in 2014, federal funding was uncertain because of federal budget sequestration, PHAs were facing budget shortfalls as a result, and this jeopardized the use of turnover vouchers for PSH.

In addition to inadequate numbers, federally-funded rental subsidies could be hard to use. For example, barriers to eligibility include immigration status, past lease violations while using a federal housing subsidy, and involvement with the criminal justice system. DHS and the PHAs were working on strategies to reduce those barriers within the constraints of federal law and regulations.⁷ Other barriers included the reluctance of landlords to rent to voucher holders and the limited support offered by PHAs to people who may have limited experience searching for housing and complying with leases.

Goal of FHSP

DHS leadership and its partners conceptualized the FHSP as a *permanent rental subsidy from a nimble, responsive pool of funding paired with Intensive Case Management Services funded by DHS to assist clients with achieving and maintaining health and housing stability*. This was consistent with the Housing for Health principle that providing housing to vulnerable clients is an integral part of their healthcare and DHS's belief that cost savings for the County's healthcare system would be realized by providing housing and wrap-around care to its highest-use clients.

Both the housing subsidy and the supportive services needed to be flexible and responsive to the levels of acuity of the clients the Housing for Health Division serves. The contractors administering the program use a "whatever it takes" approach to providing services to clients as they move from homelessness to permanent housing. This flexibility was intended to give those contractors the ability to be nimble and adjust to the changing needs of clients and the housing market in Los Angeles County. For example, partners providing supportive services can scale the intensity up or down to meet the needs of the client, offering services several times a week or only quarterly. If clients need more extensive support in setting up their households such as furniture or accessible features (e.g., shower handles, walking handles in the housing unit), the contractor administering the housing subsidies is able to pay for these expenses using FHSP resources.

Funding the FHSP

DHS relied on local public and philanthropic funding to support the FHSP. The program was established in 2014 with an initial investment of \$18 million, with DHS contributing \$13 million, the Hilton Foundation \$4 million, and \$1 million from the Office of Los Angeles County Supervisor Mark Ridley-Thomas. Investment in the FHSP has grown with infusions of funding from the County's Department of Mental Health, Department of Public Social Services, Office of Diversion and Reentry, Probation Department, and LA Care (a managed care organization for

⁷ For example, PHAs are permitted to consider mitigating circumstances for an applicant with past criminal justice involvement.

the state's Medi-Cal program). To date, more than \$800 million has been invested in the FHSP, with public funding covering the on-going rental subsidies, supportive services, and administrative program costs and philanthropic funding covering one-time program start-up costs and investments in organizational capacity building. An exception is LA Care, which provides funding for on-going rental assistance for its referred clients.

DHS also leveraged one of California's Medicaid waivers once it became available in 2016. That Medicaid waiver provides matching federal funds for a county-sponsored Whole Person Care pilot that provides medical and associated services to people living in non-institutional settings.⁸ Approved in November 2016, the pilot provides Los Angeles County \$900 million in funding over a period that ends in December 2020 under the terms of the state's Medicaid waiver. California has requested federal approval of a one-year extension of this waiver (until the end of 2021).⁹

Approximately 40 percent of LA's Whole Person Care pilot funding is dedicated to efforts to serve homeless individuals with high-risk medical conditions. Other target populations for Whole Person Care include people who are reentering the community from the justice system, have multiple hospital admissions, or are high utilizers of acute care services because of serious mental illness or substance use disorders. Consistent with federal guidance, Medicaid waiver funding cannot be used to pay for the FHSP rent subsidies. It can, however, cover the costs of tenancy support services and move-in assistance, as well as other services to coordinate care for high-risk people served through the Whole Person Care pilot program. Furthermore, funding of services by the Whole Person Care Pilot allowed Los Angeles County to shift some county funds from paying for supportive services to paying for local housing subsidies through the FHSP.

Federal and Local Housing Subsidies

The FHSP was developed in the context of pre-existing federally-funded housing subsidies and was intended to supplement them rather than replace them.

Federal housing subsidies

Federal rental subsidies paired with supportive services have been a long-standing component of the homeless service system's response in Los Angeles. HACLA and LACDA are among the largest housing authorities in the United States. As of 2013, when the FHSP was being developed, HACLA had almost 48,000 Housing Choice Vouchers (HCV) and LACDA more than 23,000.¹⁰ The federal voucher program pays the difference between the monthly rent and

⁸ For more information on Los Angeles County's Whole Person Care visit <http://dhs.lacounty.gov/wps/portal/dhs/wpc/>

⁹ For more information about California's Medicaid waiver visit <https://www.dhcs.ca.gov/provgovpart/Pages/medical-2020-waiver.aspx>

¹⁰ According to HUD data: <https://www.huduser.gov/PORTAL/datasets/assthsg.html#2009-2019>.

30 percent of the household's income, regardless of how low, and the subsidy has no time limit. These program features make it possible to provide affordable housing for even the poorest and most vulnerable individuals and families.

The HCV program uses private market rental units that must pass a quality inspection. The PHA and the tenant each pay a portion of the rent to the landlord.¹¹ The total rent paid must be within federal standards and pass a test that it is not greater than a competitive market rent for similar housing. Tenant-based vouchers can support scattered-site PSH, so long as another source of funding is available for case management and services. Housing authorities are permitted by federal program rules to “project-base” a portion of their voucher funding, providing 15-year commitments of rent subsidies that can be used together with capital funding to develop PSH projects.¹²

The extent to which a PHA's allocation of “general purpose” HCVs are used to support people leaving homelessness depends on policy decisions made by the PHA, which may choose to set aside a portion of its vouchers for that purpose or may establish “preferences”—priorities that put people experiencing homelessness ahead of others on the waiting list.¹³ HACLA and LACDA both provide set-asides of tenant-based vouchers, and HACLA also sets aside units for a PSH Project-based Voucher Program.

In addition to these set-asides of general purpose HCVs, PHAs also administer special purpose federal programs targeted explicitly to people leaving homelessness. By far the largest special appropriation of vouchers has been for the HUD-Veterans Administration Supportive Housing (HUD-VASH) program, in which the PHAs provide the housing assistance and the Veterans Administration medical system provides the supportive services. Other special purpose vouchers that sometimes support formerly homeless people are the Family Unification Program (FUP) and the Non-Elderly Disabled (NED) voucher programs.

Another important source of federal rent subsidies for PSH is the Continuum of Care (CoC) supportive housing program, formerly known as Shelter plus Care. In this case, federal funds are allocated to the local planning entity or CoC,¹⁴ which may select a housing authority to administer tenant-based PSH. HACLA and LACDA both administer this program, which

¹¹ A tenant with very little income may pay nothing, and may receive a reimbursement for estimated utility payments.

¹² Program rules specify that a household that has been complying with program rules may move from a project supported by project-based vouchers to other housing. The PHA is obligated to continue to assist that household, in effect putting the household at the top of the waiting list and providing the next available voucher.

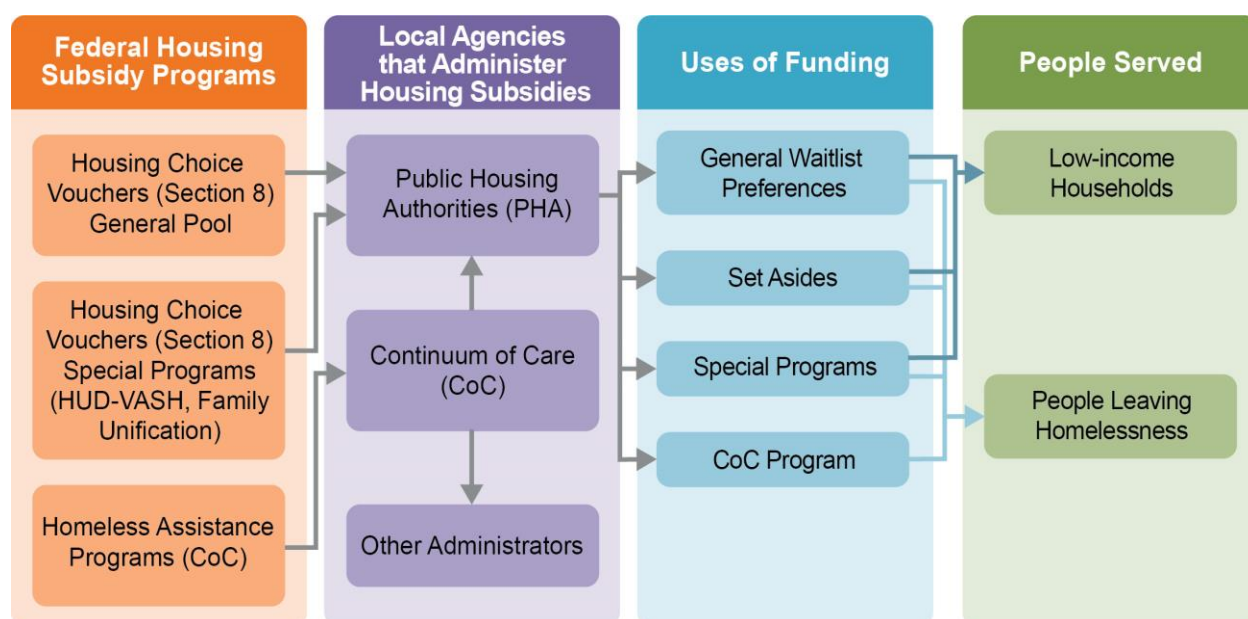
¹³ Technically, these policies are known as “limited preferences” and “general preferences.” See Dunton et al., op. cit. and The United States Interagency Council on Homelessness. Establishing Wait List Preferences. https://www.usich.gov/resources/uploads/asset_library/PHA_WaitList.pdf

¹⁴ In Los Angeles, the CoC is a joint powers agency of Los Angeles City and County, the Los Angeles Homeless Services Authority (LAHSA).

follows essentially the same rules as the HCV program (30 percent of income, housing quality inspections, limits on the total rent that may be paid). Exhibit 1 shows the pathways of federal housing subsidies.

Local housing authorities may not be able to continue to expand set-asides of rental subsidies for people experiencing homelessness. Over the past several years, HACLA and LACDA have experienced budget shortfalls and at times were unable to offer new vouchers. The number of vouchers available to new households each year is based largely on turnover and remains severely limited. Across these programs, as of early 2020, HACLA and LACDA administered almost 27,000 vouchers dedicated to families and individuals who have experienced homelessness. About half of those vouchers are set-asides based on policy decisions made by the housing authorities, and half are VASH and CoC vouchers.¹⁵

Exhibit 1. Federal Housing Subsidies



Source: Abt Associates

Challenges with using federal housing subsidies

The primary challenge with federal rental subsidies is that they are inadequately funded to serve all of the households that need the assistance. Nationally, only one of every four renters with income low enough to qualify for long-term federal housing assistance (paying no more than 30

¹⁵ Information obtained from PHAs.

percent of their income) receives such assistance.¹⁶ HACLA and LACDA have committed substantial numbers of vouchers to supportive housing for high needs individuals experiencing homelessness—at one point LACDA set aside all of its turnover vouchers for PSH—but this still does not achieve the needed scale. The vouchers administered by the housing authorities and funded through the CoC and VASH programs help address this gap but still are not enough.

Rental assistance programs have other challenges. They require local landlords to accept people using rental assistance as tenants, and to interact with public housing authorities and satisfy program rules. Community stakeholders interviewed in Los Angeles during 2019 noted that many households who received tenant-based housing vouchers for PSH were having difficulty using them to lease rental units.¹⁷

- ***Costs higher than federal standards.*** In the high-cost housing market in Los Angeles, landlords often can rent their units at a cost higher than a federal subsidy is allowed to cover. The rents paid by the voucher programs are limited by the Fair Market Rents (FMRs) that HUD publishes for different size housing units in each metropolitan area. Housing authorities have limited flexibility to use payment standards that are greater than the FMRs. Sometimes the payment standard is not high enough to cover the rent of a housing unit that meets the needs of an individual leaving homelessness.
- ***Landlord reluctance to dealing with a housing authority.*** Landlords may perceive that working with a housing authority is burdensome. There can be a lag in time from when the landlord agrees to accept the voucher to when the housing unit is inspected and the PHA processes the paperwork to allow the household to move into the unit. These delays translate into lost revenue for a landlord. PHAs usually provide little additional financial and logistical support to landlords that accept vouchers, beyond the PHA's share of the monthly rent payment.
- ***Obstacles to searching for housing.*** People with chronic patterns of homelessness may have limited experience searching for housing or approaching private market landlords. While a voucher holder has 180 days to search, and extensions are possible, he or she may postpone beginning the search from lack of confidence or knowledge about how to search for a housing unit or may have limited time to search because of an unpredictable job schedule, dealing with a chronic health conditions, or other life circumstances.

¹⁶ Collinson, Robert, Ingrid Gould Ellen, and Jens Ludwig. Reforming Housing Assistance. *Annals of the American Academy of Policy and Social Science*, 686:1 (2019). In addition to Housing Choice Vouchers, federal housing assistance includes public housing and Section 8 developments.

¹⁷ See the Conrad N. Hilton Foundation's Chronic Homelessness Initiative Evaluation 2019 Annual Report: <http://assets.hiltonfoundation.org/homelessnessreport/>

- ***Limited post-occupancy tenancy supports.*** Housing authorities typically see clients once a year to determine their continued eligibility for assistance. In the meantime, they may respond ad hoc to complaints from tenants about their housing or from landlords about tenant behavior. However, they do not provide routine support to help clients maintain their housing.

DHS designed the FHSP to address some of these barriers by offering more flexibility and a greater level of support than federal housing subsidies can, as detailed in the next section. Together with community stakeholders, DHS views the FHSP as a local strategy to be implemented alongside federal programs to expand the overall availability of subsidized housing. ***The ideal scenario is to continue to work with federal resources and advocate for their expansion while relying on the FHSP when needed.***

3. Implementing the Flexible Housing Subsidy Pool

Implementation of the Flexible Housing Subsidy Pool (FHSP) has largely stayed the same since it began in 2014. In 2017, the Los Angeles County Department of Health Services (DHS) and its governmental and private-sector partners scaled up their operations and increased the pool's funding to meet the growing need. As this expansion took place, basic design, structure, and concept of providing flexible housing subsidies with Intensive Case Management Services (ICMS) remained the same. At the same time, the FHSP began implementing some additional models for rental assistance: time-limited rapid rehousing subsidies and the placement of clients with severe mental illness into Enriched Residential Care Facilities such as Board and Care (see the exhibit on page 17).

FHSP Roles and Responsibilities

Four key partners facilitate the success of the FHSP, with each having a unique role and set of responsibilities in providing housing coordination and supportive services. Each partner and its specific role and responsibilities is described below.

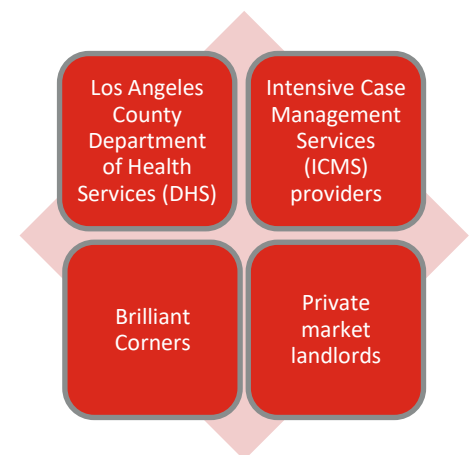
Los Angeles County Department of Health Services (DHS)

DHS is the administrative, coordinating, and fiscal agent of the FHSP, managing the program's finances and contracts. DHS contracts with community organizations to implement FHSP rental assistance and ICMS but manages the client referral system directly. DHS manages the client tracking and case management database, which is part of the Department's Comprehensive Health Accompaniment Platform (CHAMP). DHS submits quarterly reports to the Los Angeles County Board of Supervisors, covering numbers of clients served by FHSP, client demographic information, and housing retention rates.

DHS contracts with Brilliant Corners, a non-profit supportive housing organization, to manage the housing components of the FHSP. DHS has many separate contracts with other community organizations, typically homeless service providers, to provide wrap-around case management to FHSP clients. Each of these entities submits monitoring reports and invoices for payment to DHS.

DHS offers various trainings to staff at service providers, including such topics as motivational interviewing, harm reduction, and trauma-informed care. DHS staff also host weekly calls and monthly in-person meetings with service providers to address questions and challenges related to service delivery, reporting, contract invoicing, or other issues that may arise.

Exhibit 2. FHSP Partners



Housing intermediary: Brilliant Corners

Brilliant Corners is the housing coordinating agent for the FHSP, fulfilling several key roles that meet the needs of both FHSP clients and private market landlords:

- Identifying appropriate rental housing units across Los Angeles County and securing agreements from landlords to make those housing units available to program clients;
- Working with housing developers to create pipeline of project-based permanent supportive housing by providing the operating subsidy;
- Conducting unit inspections;
- Matching available housing units to accepted program clients;
- Disbursing rental subsidy payments to landlords;
- Assisting with move-in, furniture, and utilities;
- Coordinating with ICMS providers, FHSP clients, and landlords; and
- Providing eviction prevention services.

To create expertise among its staff and efficient operations, Brilliant Corners created three distinct teams for the direct implementation of the FHSP:

- The ***Housing Acquisitions Team*** focuses on acquiring housing units for the FHSP housing portfolio from private market landlords across Los Angeles County through extensive outreach and landlord engagement. For landlords willing to make housing units available to FHSP clients, Brilliant Corners is able to offer a vacant unit holding agreement, which pays a landlord a monthly fee to add the unit to the FHSP's housing portfolio. This ensures that units are available when clients are referred to the FHSP. On average, Brilliant Corners pays landlords a unit holding fee for two months.

The Brilliant Corners Housing Acquisitions Team is staffed by eight people, including a manager, two supervisors, one senior housing acquisition specialist and four housing acquisition specialists. Some team members have a professional background in real estate acquisition. This team covers the entirety of Los Angeles County and works to secure housing units for all subprograms covered under the FHSP. Brilliant Corners facilitates 150 to 200 transitions a month from homelessness to housing.

- The ***Tenancy Support Team*** guides FHSP clients through any housing application or tenancy requirement that may be requested by the landlord to lease a unit (e.g., criminal background check, credit report) and then provides move-in assistance, subsequent housing support and

retention services. The team is staffed by an associate director, five program managers, 14 supervisors, and 72 housing coordinators, who support about 6,000 clients. Housing coordinators play a dual role of helping clients lease and move into housing units and then helping them maintain tenancy. At a minimum, housing coordinators visit clients in their homes every three months to ensure they are able to maintain their lease agreements and stay in the housing. Housing coordinators are also a resource for landlords if any tenancy issues arise for FHSP clients. Each housing coordinator has a caseload of approximately 75. ***The staff at Brilliant Corners consider the ability of clients to maintain their tenancy one of the most important aspects of the FHSP.*** They work closely with ICMS providers (described below) to ensure that clients and landlords are supported throughout a client's tenure in the housing.

- The ***Operations Team*** focuses on managing the FHSP, processing client referrals from DHS and administering rent and security payments to landlords. The Operations Team also administers vacant unit hold agreements and payments, move-in assistance for clients, and damage mitigation payments for landlords. The Operations Team consists of 20 staff, divided into three smaller teams: *Payments*, *Contracts*, and *Occupancy*.

Intensive Case Management Services (ICMS) providers

As of May 2020, DHS contracted with more than 80 community-based organizations to provide ICMS to FHSP clients. Activities conducted by the ICMS provider staff include:

- Referrals to the FSHP;¹⁸
- Ongoing case management;
- Linkages to physical health, mental health, and substance use services;
- Benefits assistance; and,
- Assistance with life skills, employment, and education.¹⁹

Following a “whatever it takes” approach, the services associated with case management are intended to be flexible and can be scaled up or down to meet the clients’ needs and acuity levels. For example, upon referral to the FHSP, a client might need a higher intensity of services; in this instance, a case manager may meet with the client several times a week. Once a client maintains housing stability and is linked to benefits and services in the community, he or she might need a

¹⁸ Some clients are referred to the FSHP by providers that already have a relationship with the client through a DHS program. Others are referred by other entities and are subsequently linked to ICMS providers.

¹⁹ Los Angeles County Department of Health Services Statement of Work – Intensive Case Management Services. June 2014.

lower intensity of services, and the case manager might meet with the client monthly or even quarterly.

DHS contracts with ICMS providers based on the number of clients they can serve, not on the number of interactions that case manager has with each client. The case manager-to-client ratio is approximately one case manager to 20 clients. DHS contracting is flexible and allows incremental increases to a contract, so that a provider is not overwhelmed with too large a caseload at the start of the contract. For example, DHS may provide funding for a certain number of clients, and the provider can hire the number of case managers needed to work with this set of clients. Then, as the provider has demonstrated capacity, DHS will increase the number of clients and case managers covered by the contract.

The combination of tenancy support services and ICMS is considered critical to the success of the FHSP, with the housing coordinator focusing on tenancy issues and the case manager on broader client needs. However, this requires that housing coordinators and case managers work in parallel and communicate effectively as to not duplicate efforts or provide conflicting guidance to clients and landlords. Housing coordinators and case managers use email, telephone calls, and text messages to communicate to each other about clients. Housing coordinators and case managers may have anywhere from 1 to 25 mutual clients; therefore, communication between housing coordinators and case managers occurs frequently.

Private market landlords

The Brilliant Corners Housing Acquisitions Team actively recruits private market landlords from across Los Angeles County to participate in the FHSP. A portfolio of housing units means that clients can quickly move into units that meet their needs upon referral from DHS. Both Brilliant Corners staff and ICMS providers work continuously to develop strong and lasting partnerships with landlords, answering their questions and mediating and resolving conflicts between landlords and tenants to keep clients stably housed. This wrap-around support allows the FHSP to retain landlords' participation from year to year. As of May 2020, approximately 1,100 scattered site landlords participate in the FHSP from across Los Angeles County.²⁰

Creating a Pipeline for Project-Based Housing

Since launching the FHSP, staff at Brilliant Corners also have worked with housing developers to create project-based housing supported by FHSP rent subsidies. To create a pipeline of permanent supportive housing across Los Angeles County, Brilliant Corners provides a commitment of a rent subsidy to a developer. Most rent subsidies for project-based PSH have an initial 15 year funding commitment. This component makes up approximately 20 percent (roughly 1,000 units) of Brilliant Corners' active housing portfolio of about 5,000 units under lease at any given time.

²⁰ This number does not include project-based developers or Board and Care facilities.

The Process of Implementing the FHSP

The FHSP partners have created processes for three stages of the program: finding housing units, placing clients into housing, and providing ongoing tenancy support.

Finding housing for the portfolio

A key component of the FHSP is the large number of available units in the Brilliant Corners housing portfolio. This enables Brilliant Corners to match referred clients more quickly to available housing. The Housing Acquisitions Team searches for available housing across Los Angeles County that is within the county's Fair Market Rent (FMR) as determined by the U.S. Department of Housing and Urban Development (HUD). Exhibit 3 shows the 2020 FMRs for Los Angeles County. Public housing authorities are permitted to use payment standards higher than the FMR, but only up to 110 percent of the FMR without special exceptions. Choosing higher payment standards means that the PHA can serve fewer households within its allocated budget authority from HUD.

Brilliant Corners has more flexibility to pay rents higher than the FMR, and various stakeholders have reported that this gives Brilliant Corners an advantage in securing rental units for its clients. However, currently the average total rental payments for clients using FHSP rental assistance are within the FMRs set by HUD, as shown in Exhibit 3. Brilliant Corners' leadership noted that, over the past several years, FMRs (which are based on recent data on private market rents) have steadily increased in Los Angeles County, and this has made it possible for average rental payments for the FHSP to closely reflect FMRs. Staying within FMRs has not always been historically possible for the FHSP. Since FHSP was launched, there have been time periods where FMRs did not align with rental prices in Los Angeles County, and FHSP permitted higher rents to be paid for FHSP participants. The higher rental payments have typically been for apartments that were wheelchair accessible or had other features to better meet client needs.

Exhibit 3. Payment Standards and Average Rental Payments (Monthly)

Los Angeles County HUD FMR Payment Standards (2020), by Unit Size				
Year	Studio/Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom
2020	\$1,279	\$1,517	\$1,956	\$2,614
Average Rental Payment for FHSP Participants in Permanent Housing (2020), by Unit Size				
Year	Studio/Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom
2020	\$1,256	\$1,515	\$1,770	\$2,321

Source: Brilliant Corners

Note: All information here applies to the entirety of the Los Angeles-Long Beach-Glendale, California, HUD Metro FMR Area, which consists of Los Angeles County. https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2020_code/2020summary.odn

Approximately two-thirds of Brilliant Corners' housing portfolio are studio or one-bedroom units. Exhibit 4 shows the distribution of housing units for the FHSP as of June 2020. This distribution can change frequently based on household size of clients served and the type of units available in the community.

Exhibit 4. Distribution of Units in Brilliant Corners Housing Portfolio, June 2020

Units Type	Percentage
Single Room Occupancy (SRO)	2
Studio/Efficiency	20
One-bedroom	48
Two-bedroom	6
Three-bedroom	1
Shared housing	4
Board & Care	18

Source: Brilliant Corners

All housing units available through FHSP must have a kitchen and bathroom and must meet housing quality and habitability standards. To locate potential units to add to the portfolio, the Housing Acquisitions Team searches housing databases, conducts online searches for rental units, and canvasses neighborhoods on foot. In addition to connecting with potential landlords online, the Team also attends neighborhood meetings to provide information about the FHSP.

The FHSP's portfolio of vacant and available housing units changes daily, with new units entering the portfolio as landlords agree to make them available to program participants, and other units being filled as clients move in. In March 2020, Brilliant Corners had approximately 200 available units in its portfolio, a somewhat larger number than in 2017 (when Abt's previous evaluation report on the FHSP was published). Brilliant Corners staff reported that the Housing Acquisitions Team can secure housing units in most areas of Los Angeles County with the exception of Service Provider Area 5, which includes Beverly Hills, Santa Monica, Venice Beach, and Malibu, because housing is too expensive there.

Though extremely challenging in the tight Los Angeles housing market, the FHSP has been able to secure units for both individuals and families. In many cases, the lease is for an individual unit, but the Housing Acquisitions Team sometimes uses a Master Rental Subsidy Agreement (MRSA) to acquire a number of units within a building or development. In this case, the client still signs a lease directly with the landlord and is responsible to the landlord, not Brilliant Corners, for lease compliance.

The ability to bring a large number of units into the portfolio at once enables program staff to quickly house clients. Once a unit has been identified, a member of the Housing Acquisitions Team inspects it prior to it being offered to a client. This streamlines operations compared with usual PHA practices, which is to inspect a unit only after a voucher holder notifies the PHA of his or her intention to bring that unit into the program.

Brilliant Corners offers landlords financial incentives and other supports not typically available in the private market or other rental assistance programs to encourage participation in the FHSP.

- ***Vacant unit holding agreement.*** Brilliant Corners offers landlords up to two months of rental payments plus a security deposit (if needed) for the landlord to add its housing unit(s) to the FHSP housing portfolio. Once clients are referred to Brilliant Corners for housing lease-up, staff match clients to available units in that portfolio.
- ***Ongoing support from the Brilliant Corners housing coordinator.*** The continued involvement of a housing coordinator offers extra support to landlords. If problems or concerns arise, the landlord can contact the housing coordinator to help address or mediate the situation. The same is also true for tenants. If a landlord is unresponsive to repairs or other building issues, the housing coordinator can intervene and advocate for the tenant.
- ***Continuous pipeline of tenants.*** If a client exits their housing unit, typically Brilliant Corners identifies another client to fill the vacant unit. Because of the flexibility of the FHSP funding, Brilliant Corners is able to provide payment to the landlord to hold the unit during the time between tenants.
- ***Damage mitigation fund.*** If landlords experience any damage to their unit they enter into a claims process with Brilliant Corners. Landlords are able to receive funding for any damages to their unit as a result of a FHSP client that exceeds the amount covered by the security deposit. Leadership at Brilliant Corners stated that, because of the ICMS services and tenancy support services that are provided to FHSP clients, landlords do not request payments from this fund often.
- ***24-hour telephone hotline for landlords.*** Brilliant Corners offers a 24-hour telephone hotline for landlords to report any situations with their tenants in the program that may occur outside of business hours.

Local funding to make federal rent subsidies work better

In 2016, the Los Angeles County's Homeless Initiative established the Homeless Incentive Program (HIP). The HIP was modeled after the FHSP's landlord engagement strategies. HIP provides private market landlords with incentives for agreeing to rent units to people experiencing homelessness who have federal rental subsidies. This program has helped more than 1,500 households using federal rental subsidies by providing unit holding fees, security deposits, damage mitigation, rental application fees, credit checks, and utilities arrears.

Referring a client to the FHSP

Referrals of clients depend on the source of funding into the FHSP and subprogram eligibility requirements. DHS uses several sources of referrals to the program, including the community's

Coordinated Entry System, which identifies eligible clients who have been prioritized for PSH. DHS also takes referrals from hospitals, health care providers, and other systems of care. Other funders, such as the County's Office of Diversion and Reentry, the Probation Department, and the Department of Mental Health, identify clients for the FHSP from their client populations.

Coordination with LA's Homeless Service System

Around the same time that DHS launched the FHSP, Los Angeles County's homeless service providers, funders, and planning entities launched their Coordinated Entry System (CES).²¹ The CES requires housing and service providers across the Los Angeles County community to coordinate their efforts to identify and match people experiencing homelessness with appropriate housing options. In particular, the CES prioritizes the most vulnerable and chronically homeless people for available PSH.²² After clients complete a universal assessment, they are referred to the most appropriate, available housing resources to meet their identified need. In order for system-wide coordination to work effectively, all housing providers are meant to participate in the system. This maximizes unit availability and ensures that a range of options are available to match clients' varying needs. The Los Angeles Homeless Services Authority (LAHSA) oversees the implementation, coordination, and administration of the CES across Los Angeles County.

Coordination between the FHSP and the community's CES has evolved over the past five years. Initially, the community agencies that provide psycho-social services to people experiencing homelessness would administer an assessment to determine if a client needed PSH and send Housing for Health FHSP applications directly to DHS. Then, as new sources of funding for PSH became available through Los Angeles County's Measure H, a sales tax dedicated to preventing and combatting homelessness, the County department responsible for allocating Measure H funds required that housing subsidies with those funds use CES. The result is that approximately 50 percent of the FHSP rent subsidies used for PSH are based on CES referrals. However, when Measure H funding is not used for the FHSP, DHS continues to accept referrals of high acuity clients directly from hospitals, health care and other service providers, and other systems of care. Those other systems make the determination that their clients meet a test of "high acuity" and need PSH.

²¹ More information on the implementation of the Los Angeles Coordinated Entry System can be found at: A Coordinated Entry System for Los Angeles: Lessons from Early Implementation https://hilton-production.s3.amazonaws.com/documents/11/attachments/CESProcessReport5-18-2015_Final.pdf?1439579289

²² A Coordinated Entry System for Los Angeles: Lessons from Early Implementation https://hilton-production.s3.amazonaws.com/documents/11/attachments/CESProcessReport5-18-2015_Final.pdf?1439579289

FHSP Subprograms

The FHSP has 11 subprograms supporting different populations experiencing homelessness throughout Los Angeles County. Each of these subprograms has a discrete funding source provided by a different County department or program. One subprogram (LA Care) is funded by a Managed Care Organization active in Los Angeles County. Most provide a permanent rental subsidy and ICMS, following the basic FHSP program model, but some subprograms provide time-limited rapid rehousing or place clients into Board and Care facilities. The advantage of creating a subprogram within the FHSP is using the existing infrastructure created by DHS, Brilliant Corners, and ICMS providers. If a funder wants to create a subprogram within the FHSP infrastructure, it is responsible for funding all aspects of the program model, including

FHSP Subprograms

Department of Mental Health (DMH): Permanent rental subsidy + ICMS provided to DMH clients

Department of Health Services (DHS): Permanent rental subsidy + ICMS provided to DHS clients

Single Adult Model: Permanent rental subsidy + ICMS services provided to single adult homeless individuals served by DMH or DHS.

- ***Multidisciplinary Integrated Teams (MIT):*** Assessment tools are used to identify clients with severe mental illness or other vulnerabilities (physical health conditions or other substance use and misuse).
- ***Department of Public Social Services (DPSS):*** Individuals receiving General Relief who are high utilizers of DMH or DHS services

Office of Diversion and Reentry (ODR): Permanent rental subsidy + ICMS for individuals diverted from the criminal justice system with a mental health or substance use disorder.

The Housing and Disability Advocacy Program: Permanent rental subsidies + ICMS + benefits assistance provided to disabled individuals who are experiencing homelessness

DMH's Housing for Mental Health: Permanent rental subsidy + ICMS for clients in DMH or ODR's Full Service Partnership Programs.

The Division of HIV and STD Programs: Permanent rental subsidy + ICSM + healthcare services related to HIV and STD education, prevention, and treatment for clients experiencing homelessness.

LA Care: Permanent rental subsidy + ICMS + additional supportive services to clients of LA Care (one of Los Angeles County's largest managed care organizations)

Medically Vulnerable Persons: Short-term or permanent supportive rental subsidy + ICMS provided to medically vulnerable clients who are most appropriate for Board & Care services.

Breaking Barriers: Time-limited, rapid rehousing rental subsidy + ICMS + employment services offered to LA County probationers

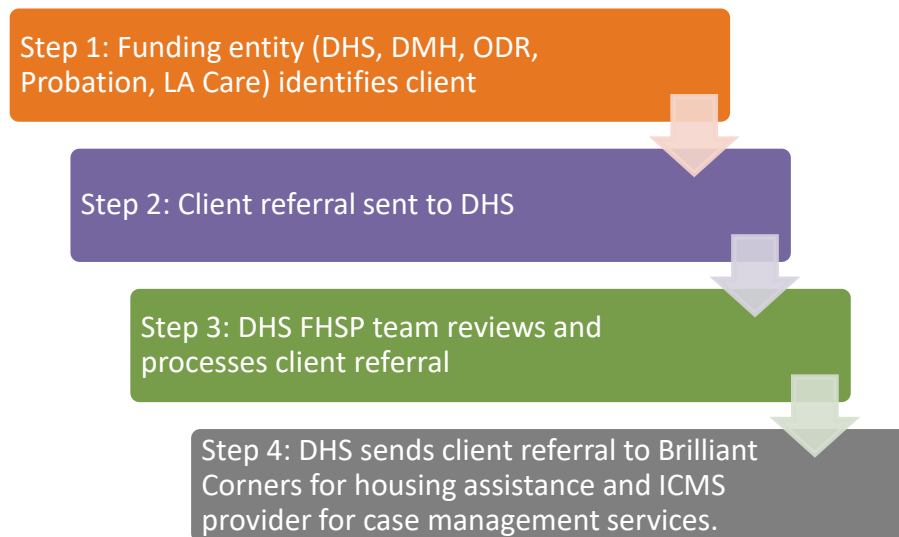
Housing and Jobs Collaborative: Short-term (9-12 months) rental subsidy + ICMS + assistance with reentry into the workforce offered to non-chronically homeless individuals

Source: Los Angeles County Department of Health Services, May 2020

tenancy supports, security deposits, unit holding fees. However, in one case, the Housing and Jobs Collaborative, DHS has relaxed the requirements that the rent subsidy be permanent.

Once a client from one of the subprograms has been referred to DHS and funding is available, the referral is sent to Brilliant Corners. At the same time, DHS also sends the referral to a designated ICMS provider to connect with the client and begin case management.²³

Exhibit 5. FHSP Referral Process



Housing a client

The Operations and Tenancy Support Teams of Brilliant Corners work together to match a referred client with an available housing unit from its portfolio. When matching a client to a unit, the Operations Team tries to consider the client's geographic and unit preferences, as well as accessibility needs, and tries to provide the client with some choice among units in the FHSP housing portfolio. Once a unit has been identified, the Tenancy Support Team guides the client through the landlord application, leasing, and move-in process. Clients are also able to do their own search for housing units in the community, and that sometimes happens.

ICMS staff reported that the speed in which clients are able to be housed is a key characteristic of the FHSP. Because Brilliant Corners usually has a significant number of inspected units available in its housing portfolio, and a reasonable rent has already been negotiated with the landlord, clients are able to move into housing typically in a matter of days once they have been matched to unit.

²³ More information on client pathways to and through the FHSP can be found in the Abt evaluation team's 2017 report: Flexible Housing Subsidy Pool Brief: <https://www.hiltonfoundation.org/learning/history-and-takeaways-from-los-angeles-countys-flexible-housing-subsidy-pool>

When a unit has been identified for a client, Brilliant Corners enters into a subsidy agreement with the landlord, and the landlord enters into a lease agreement with the client. Brilliant Corners makes rental subsidy payments directly to the landlord, and clients pay their portion of rent to the landlord.

In the basic FHSP program design, the client portion of the rent is based on 30 percent of the client's income, the same as in federal housing assistance programs. Clients who receive time-limited rapid rehousing subsidies contribute a percentage of their income based on a stepped approach. The rent begins at 30 percent of the client's actual income but over time, usually 12 to 24 months, the client portion of the rent increases to 100 percent. As in federal housing assistance programs, if a client pays for utilities, then he or she receives a utility credit, and that amount is subtracted from the client's portion of rent. The FHSP also supports a subset of clients who receive permanent housing with increased care at Enriched Residential Care Facilities (e.g., Board and Care facilities). In these situations, a majority of the client's Supplemental Security Income benefits goes directly to the facility.

Brilliant Corners performs annual income recertifications for all clients and also asks clients to notify them within 10 days if there are any changes to income in between annual recertifications, in order to adjust the tenant's portion of the rental payment. As is the case for federal rental assistance programs, the FHSP does not include food benefits such as food stamps (SNAP) or CalFresh, as income.

Exhibit 6 shows the total rental payment paid to landlords, the average monthly rental subsidy paid by Brilliant Corners, and the average tenant contribution.

Exhibit 6: Breakout of Payments

Year	Studio/Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom
<i>Total monthly rental payment paid to landlords</i>				
2020	\$1,256	\$1,515	\$1,770	\$2,321
<i>Average monthly permanent rental subsidy paid by Brilliant Corners to landlords</i>				
2020	\$1,079	\$1,398	\$1,606	\$2,112
<i>Average monthly tenant contribution</i>				
2020	\$177	\$117	\$ 164	\$209

Source: Brilliant Corners

In fiscal year 2019-2020, Brilliant Corners received an administrative fee of approximately \$275 per client per month for the FHSP in Los Angeles County. This amount covers Brilliant Corners' costs other than payments to landlords, including labor costs for the administrative, housing acquisition, and housing coordinator teams and non-labor costs such as office space, travel, and

technology.²⁴ As a point of comparison, in June 2020, HUD provided HACLA and LACDA an administrative fee of approximately \$100 per Housing Choice Voucher per month.²⁵ ²⁶ Federal rental subsidies do not come with the same level of robust housing location services and consistent tenancy supports that are part of the FHSP model. Exhibit 7 outlines the primary differences between the Los Angeles County FHSP and federal rental subsidies.

Exhibit 7. Differences in FHSP and Federal Rental Subsidies

Features	Los Angeles County's FHSP	Federal Rental Subsidies
Eligibility requirements	People experiencing homelessness who have complex physical and behavioral health conditions	Income below 30 percent of area median, with some restrictions on immigration status, criminal justice background, and owing money to the PHA
Finding a rental unit	Dedicated housing acquisitions team to secure housing units	Client finds housing unit with minimum assistance; Public Housing Authority may have lists of properties willing to take vouchers
HUD subsidy standards	HUD Fair Market Rents are used as guidelines, with flexibility to adjust to the rental market as needed	Limited ability to use payment standards greater than HUD Fair Market Rents
Case management and supportive services	Intensive case management service and tenant support services	Supportive services only for special programs/allocations of vouchers ¹
Landlord and tenancy supports	Vacant unit holding fee, damage mitigation fund, and dedicated tenancy support team	No vacant unit holding fees; no coverage of damage beyond security deposit; no post-move-in tenancy support unless an issue with tenant arises ²

¹ VASH subsidies link a rental subsidy with supportive services from the VA. CoC Tenant Based Rental Assistance have a supportive service match. There is no federal requirement for supportive service to accompany general allocations of Housing Choice Vouchers. However, under the Los Angeles County's Homeless Initiative, intensive case management services are linked to federal housing subsidies for clients who need permanent supportive housing.

² Under Los Angeles County's Homeless Initiative, landlords can participate in the Homeless Incentive Program and can receive a holding fee for providing a rental unit for a household experiencing homelessness. This program also administers move-in assistance and a damage mitigation fund.

Helping clients maintain housing

Once a client moves into housing, the household continues to receive support from the assigned Brilliant Corners housing coordinator and the ICMS case manager. The housing coordinator focuses on maintaining the client's housing stability and maintaining a positive relationship with

²⁴ A program substantially smaller than FHSP could require a larger fee per client month, because of the loss of economies of scale.

²⁵ CY 2020 Administrative Fee Rates. Office of Housing Choice Vouchers.
https://www.hud.gov/program_offices/public_indian_housing/programs/hcv

²⁶ Housing Choice Vouchers. CY 2020 Administrative Fee Rates.
https://www.hud.gov/sites/dfiles/PIH/documents/CY2020_AdminFeeRateDescription.pdf

the property's landlord. At a minimum, housing coordinators must check in with their clients once a quarter. Clients report any maintenance or repair issues to their housing coordinator instead of the landlord, which ensures that Brilliant Corners can track patterns and address any ongoing concerns with the landlord directly.

ICMS case managers provide wrap-around services to FHSP clients. Case managers can adjust the intensity of their services based on the needs and acuity of the clients. This flexible approach allows case managers to meet the individual needs of clients throughout the time a client participates in the FHSP.

FHSP clients have a one-year housing retention rate of 94 percent and a two-year housing retention rate of 87 percent. This rate excludes clients who participate in the Office of Diversion and Reentry programs or who are in Enriched Residential Care Facilities.

Every stakeholder interviewed for this report noted that key to the success of the FHSP are the ability to flexibly fund housing for clients and the marriage of tenancy support services and ICMS to respond to clients' needs and help them succeed in housing. However, stakeholders noted "gray area" where these roles intersect. Often, whatever situation or crisis the client experiences (needing ICMS) affects his or her housing stability. Therefore, in some instances, the services FHSP provides overlap. To get the best result, the Brilliant Corners housing coordinator and the ICMS case manager must work in parallel with each other and communicate effectively.

An additional challenge for housing coordinators and ICMS providers is the use of different data systems to report and monitor interactions and outcomes with clients. DHS's ICMS providers use the County's Comprehensive Health Accompaniment Platform (CHAMP) database. CHAMP records client data such as service receipt and case notes. Brilliant Corner's housing coordinators track all information about clients' housing and landlords in an online database through Salesforce. Additionally, ICMS providers, who are part of LA's homeless service system and receive funding from the Los Angeles Homeless Services Authority, use the Homeless Management Information System (HMIS). HMIS is the central database for all interactions with clients within the region's homeless service system. HMIS tracks important client data, including assessment scores, program enrollment and exit, and case notes.

Over the past six years as the FHSP has grown, DHS and Brilliant Corners have enhanced their data platforms and reporting and monitoring tools. Brilliant Corners housing coordinators have read-only access to DHS's CHAMP database and therefore can keep up-to-date on client case notes entered into the system by ICMS providers. However, Brilliant Corners housing coordinators cannot enter new or updated information into the CHAMP database.

These issues relating to coordinating data systems are inherent in a program model that braids together activities with separate funding sources that require reporting of activities and outcomes

to separate program and policy leadership and elected officials. Tracking all program information in one system would help client coordination efforts between ICMS providers and housing coordinators and provide a single platform in which staff could assess information about services to clients, interaction with landlords, and any issues that arise. Short of creating a single system, there may be other ways to overcome the data coordination issues that ensure that data systems meeting the needs of program staff and clients as well as policy-makers and funders.

4. Lessons Learned and Recommendations

As communities across the country seek to create and implement housing assistance programs to augment the capacity of federally-funded programs and provide additional flexibility, the Los Angeles County Flexible Housing Subsidy Pool (FHSP) offers lessons from its successes and challenges. These takeaways and recommendations were identified through interviews with staff from the county's Department of Health Services (DHS), Intensive Case Management Services (ICMS) providers, Brilliant Corners, the managed care organization LA Care, the Los Angeles Homeless Services Authority, and the Conrad N. Hilton Foundation. In this section, the Abt evaluation team summarizes lessons learned and recommendations in two categories: (1) *planning to create a flexible housing program* and (2) *implementing a flexible housing program*.

Exhibit 8. Key Principles of the FHSP



Planning to Create a Flexible Housing Program

Recommendation #1: Bring stakeholders together to discuss the needs of your community

In Los Angeles, there was a critical need for permanent supportive housing coupled with case management services for the community's medically fragile individuals who were unable or ineligible to secure a federal housing subsidy. Creating the Los Angeles County FHSP required immense stakeholder coordination among governmental agencies, public officials, philanthropic partners, and homeless service providers. It also required strong leadership to make the decision to launch a program and put resources behind it.

Communities differ in their populations, needs, and capacities. Before creating a program, it is important to understand the scale of the community's housing and service needs and the gaps in current resources available to meet the needs. It also is important to create a shared

understanding of the current barriers that prevent people experiencing homelessness from using the resources that are already available in the community. This understanding will help identify components of a program design where flexibility greater than that provided by federal housing assistance programs is needed.

Stakeholders that should participate in this discussion include city and county housing and health departments, homeless service providers and the Continuum of Care, and any local philanthropies that support people experiencing homelessness currently or may be asked to do so. Ultimately, one or more of these entities will need to take ownership of a new program and make the needed funding commitments.

Recommendation #2: Design a truly flexible program that supplements existing federal resources

Communities often do not have the opportunity to design and implement flexible programs because program and eligibility requirements are determined by funders. As communities explore designing their own local, flexible housing program, it is important to include flexibility in eligibility requirements, (e.g., immigration status, involvement with the criminal justice system, prior eviction using a federal housing subsidy), contracting, and program guidelines. This flexibility then can be passed through to community organizations and to staff overseeing program implementation. However, with flexibility also comes the need for transparency, accountability, and oversight in program design and implementation.

The Los Angeles County FHSP implements flexibility in three key areas: contracting, client supports, and landlords support.

- ***Flexible contracts:*** DHS's procurement and contracting offices encountered hurdles when trying to create language establishing the FHSP implementation contracts. Staff brainstormed about how to set up purchase agreements and contracts with Brilliant Corners and the ICMS providers so the contracts can be modified or expanded as new funding sources and target groups are added to the FHSP. These contracts allow partners to be nimble and flexible with program implementation. Brilliant Corners and ICMS providers also noted that DHS is reliable and on-time with payments, which facilitates the successful implementation of the FHSP.
- ***Support for clients:*** Through their contracts with DHS, Brilliant Corners and ICMS, providers continuously support clients, scaling their level of assistance during their program tenure to help clients successfully maintain housing and enhance their well-being.
- ***Support for landlords:*** Brilliant Corners offers landlords support through its Tenancy Support Team and 24-hour landlord hotline and provides them vacant unit holding fees, security deposits, and damage mitigation funds. In addition, Brilliant Corners assists clients with move-in assistance when necessary, including furniture and appliances.

Recommendation #3: Understand and leverage your community's existing suite of federal housing resources and work for their expansion

Communities across the country receive federal housing resources that are available for vulnerable populations. These resources are often administered through a community's local Public Housing Authorities (PHAs) or the Continuum of Care (CoC). Though local housing subsidies may be easier to use and less restrictive for program partners and landlords, federal housing subsidies should not be overlooked as a housing resource. Community partners should work with PHAs and CoCs to develop solutions that make full use of all available federal housing resources and advocate for the expansion of those resources that will be needed to end homelessness. The ideal scenario is to continue to find strategies to work with and fully use more restrictive federal resources while relying on the local, flexible resources when needed.

- In Los Angeles, innovation spurred by the FHSP has influenced practices by the local PHAs. For example, with FHSP funding, Brilliant Corners created damage mitigation funding for landlords, began proactive landlord engagement, and paid to hold vacant units across the community. Local PHAs then adopted similar practices, using local funding available as part of Los Angeles County's Homeless Initiative to cover costs not funded through the federal housing programs they administer.
- Brilliant Corners is working with local PHAs to transfer clients who are currently using local, flexible rental subsidies to federal subsidies, where possible. This practice maximizes the use of available federal resources, allowing local subsidies to assist other clients referred to the FHSP.

Recommendation #4: Create a program model that facilitates investments from multiple stakeholders and ensure that the program receives sustainable funding commitments as well as one-time investments

Investing in a "pool" of funding allows multiple partners to use the same program infrastructure and expertise. Partners across a community do not have to duplicate or replicate efforts to create their own housing programs for their clients.

It is important to recognize that while a program may launch with one-time investments from philanthropic or private partners or governmental agencies, to sustain a program overtime on-going governmental investments are needed. One-time investments can provide the impetus to launch a program, build organizational capacity, and evaluate its effectiveness. Demonstrated results can build support for sustained investments from public and private funders. Sustainable funding is needed for on-going program implementation.

- Since its inception, multiple public and private partners have invested in Los Angeles County's FHSP. Los Angeles County DHS is the lead governmental agency, but other County entities – the Department of Mental Health, the Probation Department, and the Office of Diversion and Reentry – also allocate budget resources to the pool, dedicated to providing

housing for their clients. Additionally, LA Care, a managed care organization (MCO) for the state's Medi-Cal program and one of the largest MCOs in the county, invests in the pool to provide housing opportunities for some of its highly vulnerable clients who are experiencing homelessness in order to reduce their use of expensive and avoidable medical services.

- In Los Angeles County, public funding covers the majority of the on-going rental subsidies, supportive services, and administrative program costs and philanthropic funding covers one-time program start-up costs and investments in organizational capacity building.

Recommendation #5: Understand staffing needs and clearly define roles for program implementation

Often program staff across community organizations are forced to take on multiple roles, sometimes tasks outside of their job descriptions. Before a program launches, it is important to understand what types of staff and organizational capacity are needed to implement a successful program.

- In Los Angeles, each partner that administers and implements the FHSP has a clearly defined role and set of responsibilities. Early in the program's implementation, DHS provided Brilliant Corners and ICMS providers a Statement of Work that included specific services to be provided to clients; expectations of recordkeeping, invoicing, and reporting; and a quality control and assurance plan.
- Brilliant Corners created specialized roles within the organization, creating three distinct teams to work on FHSP. The Housing Acquisitions Team identifies available housing units across the community and establishes relationships with landlords; the Tenancy Support Team assists landlords and clients to achieve and maintain housing stability; and an Operations Team processes payments and provides logistical support.

Recommendation #6: Discuss how data will be collected, stored, and reported to stakeholders

A critical, and often challenging, component of planning for program implementation is deciding how program and client data will be collected, where it will be stored, and how it will be analyzed and reported. Identifying data sources, planning data collection and storage practices, and outlining reporting requirements are crucial steps to ensure the ability to analyze program data and report outcomes. Program staff and community partners should discuss who is collecting and reporting data, who has access to data, and who is responsible for analysis and reporting. These stakeholders should also consider which data systems are used throughout the community and how data will be reconciled between systems, if needed. It may be necessary to change data collection, analysis, and reporting methods during program implementation as program staff, partners, and community stakeholders analyze data from program implementation and examine initial client and program outcomes.

- In Los Angeles, Brilliant Corners and ICMS providers use different systems to report and monitor interactions and outcomes with clients. DHS's ICMS providers use the County's Comprehensive Health Accompaniment Platform (CHAMP) database and Brilliant Corner's housing coordinators use Salesforce. Over the past six years, as the FHSP has grown, DHS and Brilliant Corners have enhanced their data platforms and reporting and monitoring tools. However, at this time, they do not share one database. Additionally, ICMS providers, who are part of LA's homeless service system and receive funding from the Los Angeles Homeless Services Authority, use the Homeless Management Information System (HMIS). HMIS is the central database for all interactions with clients within the region's homeless service system. HMIS tracks important client data, including assessment scores, program enrollment and exit, and case notes. Reconciling the data found in each of these systems is complex and often causes concern, including the time spent on double data entry (between HMIS and CHAMP), the quality of the data, and merging and analyzing the data across systems, for FHSP partners and community stakeholders.

Implementing a Flexible Housing Program

Recommendation #7: Disseminate clear program information and consistent messaging

Partners and community stakeholders need different program information. Elected officials and public agency leaders need to understand policies, costs, and program outcomes; program partners need to understand the implementation protocols and procedures. Across all audiences, using consistent terminology and language is critical to ensure all parties share a common understanding of the program's mission, outcomes, and goals.

- In Los Angeles, DHS conducts weekly calls with ICMS providers and provides email updates. However, ICMS providers reported that it would be helpful if there was more coordinated communication on FHSP policy updates and procedure changes and more transparency on funding changes and referrals to the FHSP.
- A few ICMS providers reported that it would be helpful if DHS had more print and online materials to circulate on the FHSP, especially as providers try to educate the public about the funding pool. It is important to create print and online materials for a variety of audiences, including clients, landlords, community stakeholders, elected officials, and the public to consistently communicate the purpose, goals, and progress of the program.

Recommendation #8: Support ongoing capacity building of program implementation partners

It is important to invest in organizational administrative, operational, and staff capacity both when implementing a new program and when expanding an existing program. Whereas sustained governmental funding is needed for long-term program implementation, philanthropic or private funding is often needed as one-time infusions as organizations grow or take on new roles in the

community. Philanthropic or private funding can be most impactful when it invests in the capacity-building needs of organizations.

- In Los Angeles, as the FHSP has grown, philanthropic and private funders such as the Home For Good Funders Collaborative and the Conrad N. Hilton Foundation continue to support the capacity-building efforts of homeless service providers and Brilliant Corners. FHSP partners have used these private resources to enhance office space, technology and accounting systems, and organization infrastructure and to add staffing positions. This additional funding allows FHSP to dedicate all other funding to program administration, housing subsidies, and service provision.

Recommendation #9: Leverage a community's existing Coordinated Entry System to prioritize assistance to the most vulnerable households experiencing homelessness

To maximize program impact and ensure that limited resources reach the most vulnerable households, communities can use their coordinated entry system (CES) to identify and prioritize assistance to households experiencing homelessness. When creating a flexible program, a community will need to determine the extent to which it can be embedded in the CES.

- In Los Angeles, DHS uses the community's CES to identify clients who have been prioritized for permanent supportive housing but also accepts referrals from within its own system and from the other funders of the FSHP.

Appendix A: Discussion Guide for Community Stakeholders

For communities across the country seeking to design and implement housing assistance programs with enhanced flexibility, the Abt evaluation team created this discussion guide to assist community stakeholders with various aspects of program design, funding, community partnerships, and implementation.

Designing a Flexible Housing Program

- What are the housing needs of the community?
- Who are the most vulnerable populations that a flexible housing program should target?
- What geographic area will the housing program cover?
- Who are the vulnerable populations who might be able to live in scattered site housing if they could get appropriate supports and rental subsidies?
- What obstacles do landlords face when making their units available to people who are using a rent subsidy in existing programs?
- What obstacles to people experiencing homelessness face when trying to use a housing subsidy?

Funding Considerations

- What are the key public funding streams to leverage for the housing pool? Which of these funding streams can provide one-time contributions, and which may provide ongoing revenues for a housing pool?
- Have federal dollars been leveraged before using state, local, or private dollars? Can multi-year commitments of private funding commitments leverage ongoing annual budget allocations? How can funding agreements facilitate sustainability and accountability among funding partners?
- What are the current housing assistance programs available through the local Continuum of Care and local Public Housing Authorities that could be leveraged to expand housing opportunities? Are there opportunities to use these programs with greater flexibility?
- Are there limitations/restrictions on any of the funding streams that need to be considered? Can local flexible funding in the housing pool be paired with federal housing subsidies to help use the federal funding fully?

- How could a pool of flexible funding complement the resources available from existing programs?
- What are the priorities and allowable uses tied to available state or local governmental funding? How do these align with the housing needs and priorities of the community?
- How will the community leverage additional funding from philanthropic partners or other sources to support the pool, continue to expand its capacity, fill gaps, and address needs for flexibility in program design?

Key Partners

- Who are the key stakeholders and what are their roles in this program? Does a diverse set of stakeholders buy into program design (e.g., healthcare, homeless services, youth and family services, Public Housing Authorities, private funders, and philanthropic partners)? Does the program have key stakeholders willing to take ownership of the program and get it going?
- What types of organizations are needed to implement the program? How will they be identified and selected? What are their roles and responsibilities? Once the program is implemented, are the organizations in charge given sufficient authority, resources, and other support to execute the work?

Identifying and Prioritizing People for Assistance through the Pool

- Who is eligible for this program?
- What is the pool's prioritization strategy? How will clients be identified and prioritized?
- How will the program use any of the community's existing prioritization systems (such as its Coordinated Entry System for homeless services) to identify program participants?

Program Design

- What are the roles of each key organization that contributes resources to the housing pool? Within each organization, what key staff positions are needed for program implementation?
- How much funding will be dedicated to administering the housing pool? Do resources from each funder support all aspects of the program model?
- How will contracts be administered to organizations operating the pool?

- What types of housing stock does the local rental market have available? What types of housing units does the program need (i.e., number of bedrooms, accessibility requirements, amenities)?
- How should landlords be engaged and recruited? What incentives can be offered to landlords to attract them to participate? How will landlords be supported throughout program participation?
- What types of supportive services will be offered to clients?
- What types of training and technical assistance will be offered to organizations operating the program? How will the program support capacity building for organizations?

Monitoring Program Implementation and Progress

- How will the program monitor progress and track outcomes? Who is responsible for monitoring progress and tracking outcomes? What types of data are needed to report this information?
- How will program and policy updates, procedural changes, funding shifts, and other information be communicated to partners? Landlords? Public officials? The public?

Scaling Up

- Is there a plan in place to scale the program in future years based on community needs and priorities?
- Will additional partners be needed to accommodate this expansion?
- How will additional funding streams be identified? Will there be additional funding available for capacity building as the program expands?

Timeline for Designing and Implementing a Housing Pool Program

Phase 1: Plan Housing Program	Phase 2: Implement Housing Program	Phase 3: Monitor and Refine Approach to Program	Phase 4: Expand Program
<ul style="list-style-type: none"> • Assemble key stakeholders to design program • Identify and leverage available federal, state, and local resources, as well as private funding sources 	<ul style="list-style-type: none"> • Assign roles to implementation partners • Define key program roles and responsibilities • Recruit landlords to participate in program • Disseminate clear program information on 	<ul style="list-style-type: none"> • Build capacity and knowledge of all implementation partners, especially administrative entity • Review processes for referring participants for assistance 	<ul style="list-style-type: none"> • Research and identify additional populations to target through community needs assessment • Secure additional public and/or private funding sources

<ul style="list-style-type: none"> • Recruit and confirm key stakeholder organizations • Develop program model, including prioritization strategy, landlord recruitment strategy, and targeted level of assistance 	<p>a regular schedule to all implementation partners</p> <ul style="list-style-type: none"> • Determine maximum capacity/number of slots for program 	<ul style="list-style-type: none"> • Consider whether the program has sufficient landlord engagement 	<ul style="list-style-type: none"> • Recruit additional implementation partners • Establish new capacity for expanded pool
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