

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, NOVEMBER 18, 2025**

MINUTE ORDER NO. 3

SUBJECT: AUTHORIZE A SINGLE SOURCE CONTRACT FOR THE ADMINISTRATION OF A FLEXIBLE HOUSING POOL PILOT TO SUPPORT THE IMPLEMENTATION OF THE BEHAVIORAL HEALTH SERVICES ACT HOUSING INTERVENTIONS (DISTRICTS: ALL)

OVERVIEW

Beginning January 1, 2026, Transitional Rent will be available to qualifying Medi-Cal beneficiaries with substance use disorders (SUD) and/or serious mental illness (SMI). This service will be provided through the Medi-Cal managed care plans (MCPs) under the Community Supports component of the Department of Health Care Services (DHCS) Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Initiative. Under BH-CONNECT, this new Transitional Rent benefit, inclusive of rent and temporary housing, will be provided to members who are experiencing or at risk of homelessness, have certain clinical risk factors and meet certain additional eligibility criteria for up to six months.

Transitional Rent is intended as a new tool to help address and prevent homelessness and will be available for up to six months to eligible Medi-Cal beneficiaries who meet the Behavioral Health Services Act (BHSA) Housing Interventions funding criteria. On July 1, 2026, BHSA Housing Interventions will launch to align with Transitional Rent. To support a pathway to long-term housing stability, eligible Medi-Cal beneficiaries may transition to BHSA Housing Interventions after receiving six months of Transitional Rent. BHSA replaces the Mental Health Services Act (MHSA) passed by voters in 2004. It reforms behavioral health care funding to prioritize services for people with the most significant mental health needs, while adding the treatment of substance use disorders.

Furthermore, the establishment of a Flexible Housing Pool (Flex Pool) could enable centralized administration of diverse funding streams for rental and housing subsidies, enhancing coordination of Transitional Rent and BHSA Housing Interventions among MCPs, the County of San Diego (County) Behavioral Health Services (BHS), and community partners. A Flex Pool is not a rental assistance program but rather a mechanism to coordinate rental assistance payments through braided funding streams. Braided funding is a strategy where more than one source of funding, such as federal, State, and private funding, are used together, with each source's funds tracked and reported separately. Additionally, a Flex Pool facilitates compliance and reporting, acts as a single fiscal intermediary between funders and landlords, secures and supports a portfolio of housing units, and coordinates with housing support services providers. It serves as a centralized operator at the community level, creating efficiencies by managing relationships and timely payments across a single network of landlords to support faster access to housing.

Upon the determination to establish a Flex Pool in San Diego County, Behavioral Health Services, in collaboration with the County's Departments of Medical Care Services (MCS) and Housing and Community Development Services (HCDS), has engaged with Managed Care Plans to develop implementation options for Transitional Rent, which will take effect on January 1, 2026, for the Behavioral Health population, and for BHSA Housing Interventions, which will take effect on July 1, 2026. The accelerated timeline for implementation and the highly complex nature of the process has

required extensive levels of coordination between MCPs, the County, and existing housing systems. An Administrator is needed at this time to conduct a number of strategic implementation activities for a Flex Pool Pilot while the County works with Technical Assistance Consultants subcontracted by DHCS to determine a long-term program, tailored to San Diego County.

Today's action requests the San Diego County Board of Supervisors authorize a single source contract with Brilliant Corners to serve as the Administrator for a Flex Pool Pilot for an Initial Term of up to one year, with four 1-Year Options, and up to an additional six months, if needed, contingent upon completion of Medi-Cal certification.

This item supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities by supporting faster access to housing for people with behavioral health conditions.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

In accordance with Board Policy A-87, Competitive Procurement, approve and authorize the Director, Department of Purchasing and Contracting to enter into negotiations with Brilliant Corners and subject to successful negotiations and a determination of a fair and reasonable price, award a contract to administer a Flexible Housing Pool Pilot for an Initial Term of up to one year, with four 1-Year Options, and up to an additional six months, if needed; and to amend the contract as needed to reflect changes in program funding or service requirements, subject to the availability of funds and the approval of the Director of Behavioral Health Services or designee.

EQUITY IMPACT STATEMENT

A Flex Housing Pool Pilot that combines Transitional Rent supports available through the State Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment Initiative and Behavioral Health Services Act Housing Interventions is an integrated funding approach to enhance the capacity to prevent and address the adverse health outcomes that result from homelessness. According to the Department of Health Care Services Transitional Rent Concept Paper, published in August 2024, non-elderly individuals experiencing homelessness have 3.5 times the mortality risk of those who are housed, and a 40-year-old person experiencing homelessness faces a similar mortality risk to a housed person nearly 20 years older. Individuals experiencing homelessness also have significantly higher rates of chronic conditions and behavioral health needs than the housed population, along with higher rates of acute and emergent health services utilization.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access to County services and Sustainability Goal #4 to protect the health and well-being of everyone in the region. This action will maximize the housing-related supportive services provided through the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment Initiative and Medi-Cal Transformation. This will be accomplished through the coordination of rental assistance for eligible individuals as they shift from Transitional Rent to rental subsidies under Behavioral Health Services Act Housing Interventions available in July 2026.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2025-2027 Operational Plan for the Health and Human Services Agency. If approved, this request will result in no costs in FY 2025-26, and estimated costs and revenue ranging from \$3.45 million to \$5.35 million in FY 2026-27 during the Flex Pool Pilot's initial term. The anticipated funding source is Behavioral Health Bridge Housing and Behavioral Health Services Act. These costs will be incorporated into future Operational Plans. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Aguirre, the Board of Supervisors took action as recommended, on Consent.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

