

## Flexible Housing Subsidy Pools in Brief

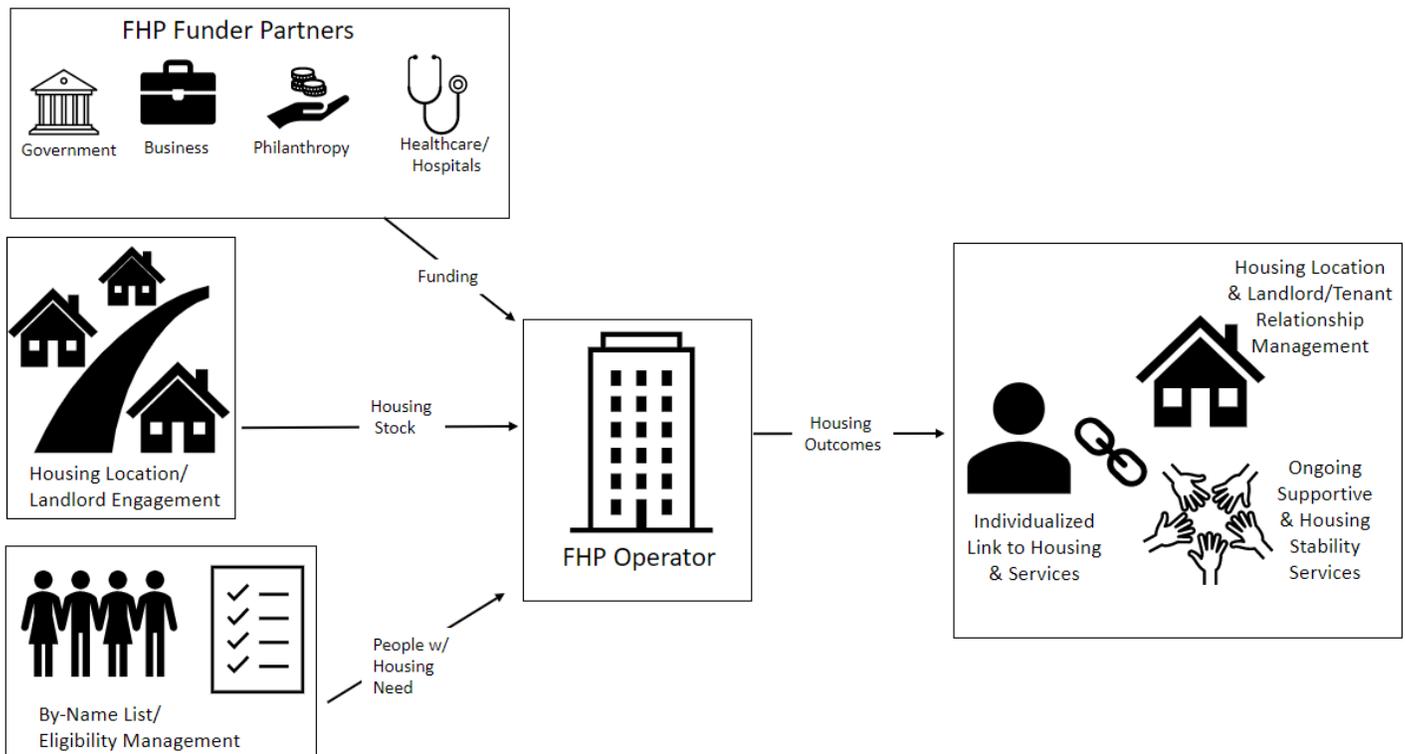
Flexible Housing Subsidy Pools (FHPs or FHSPs) are an emerging systems-level strategy to fund, locate, and secure housing for people experiencing homelessness in a more coordinated and streamlined way.

The overall approach of an FHP involves “pooling” resources from public and private entities that offer financial assistance for rents and couple assistance with supportive services. FHPs use a prioritized list with eligibility criteria to match resources and housing to people experiencing homelessness. While the pool’s eligibility may be determined by the funder, community policy priority (e.g., chronic homeless status, frequent system utilization), or a combination of these or other factors, any strategy must be co-developed with Black, Indigenous, people of color (BIPOC) and people with lived expertise of homelessness. This approach is beneficial to communities looking to consolidate and initiate several streams of financial assistance into a central entity, eliminating organization-level waitlists, application processes, and piecemeal and costly program administration and accounting. FHPs also draw funding from outside the mainstream sources for housing and services, increasing the overall supply of housing resources and creating flexible and comprehensive services at the same time.

FHP-contributing entities may be public governmental organizations or private and philanthropic organizations. FHPs may offer a range of housing and service interventions, from short-term interventions, such as diversion services, to long-term “[shallow subsidies](#)” and project-based permanent supportive housing (PSH) with intensive wrap-around services.

Many communities and jurisdictions operate or plan to operate FHPs. The Homeless Policy Research Institute (HPRI) from the University of Southern California provided a 2018 [scan of FHPs and literature](#) that discusses the organization, partners, and funding approach in more detail.

*Figure 1. Overview of an FHP*

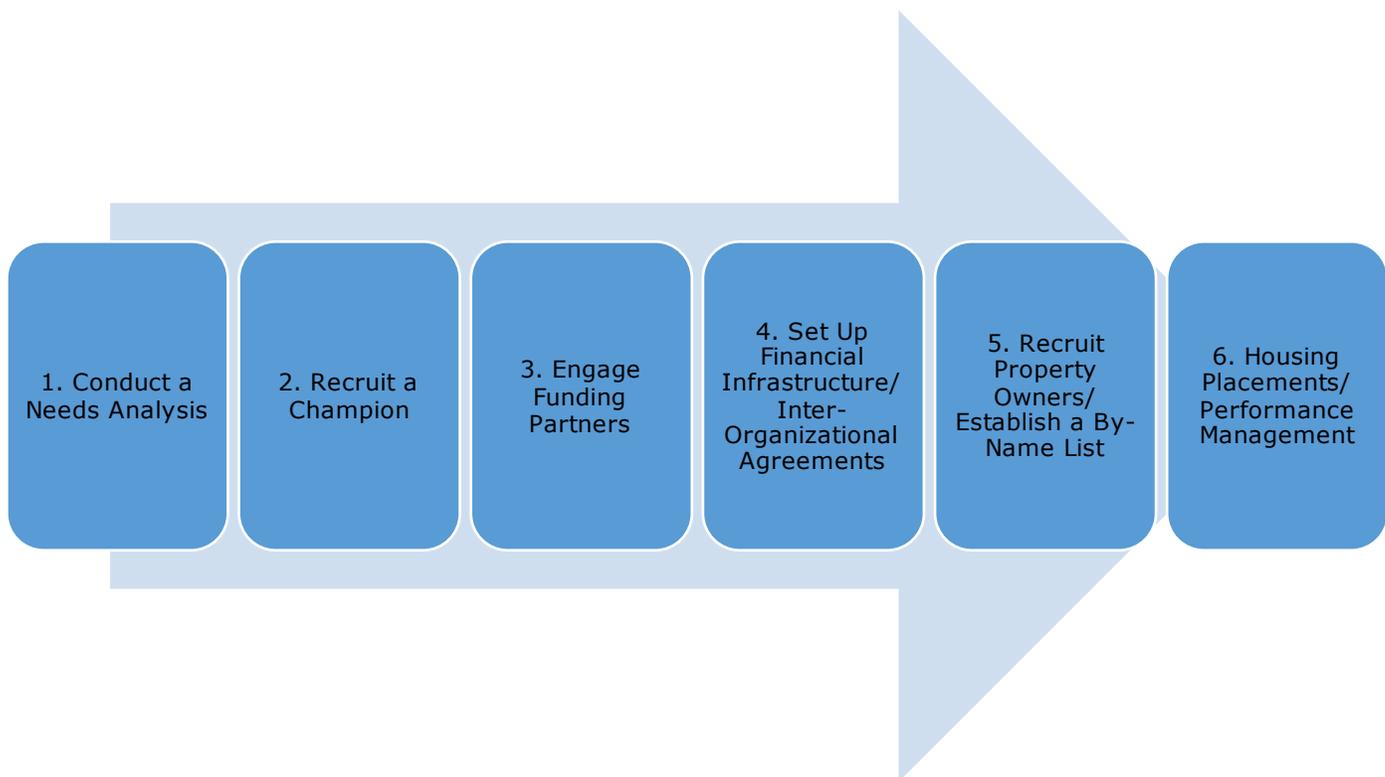


## Flexible Housing Pools in the Time of COVID-19

With the severe economic impacts of the pandemic, and BIPOC experiencing some of the most severe impacts, there has quite possibly never been a better time to start thinking about establishing more flexible and equitable housing resources that can help ameliorate the impacts of job and housing loss in communities. For example, a community that is using ESG-CV and other funding to pay for prevention and rapid rehousing (RRH) may find that, after 12 months, some people in RRH may need to be moved to PSH; a flex pool could potentially be a resource in this situation. An established flex pool will have a broad set of funding sources that it can more readily match to a person or household's eligibility and needs, creating a seamless experience for the tenant(s). By coordinating the major aspects of the housing process, the flex pool can speed housing times considerably and eliminate many onerous or duplicative administrative processes in every phase of the housing process from eligibility determination to housing inspections.

### First Steps and Key Recommendations for Creating an FHP

*Figure 2. Steps to Create an FHP*



While FHPs are indeed “flexible,” the most successful incorporate evidence-based best practices in financing, technology, supportive services, and racial equity. Many operational nuances will depend on the financial structure, eligibility criteria, and populations served through the FHP. Nevertheless, FHPs should adhere to a few core values and strategic approaches.

#### **1. Conduct a Needs Analysis**

**FHPs encourage a creative “menu” of services** which, in the long term, will conserve scarce resources and house more people and families for longer periods of time. This menu will more often include long-term solutions such as rental subsidies and even PSH. Particularly now with COVID-19, some FHPs have shifted to include short-term emergency services such as hotel vouchers, emergency shelter beds, and diversion services in order to keep participants sheltered and safe as permanent housing is secured.

Communities should **conduct a needs assessment with housing providers** to scan for unmet housing service needs and identify the funding streams that can support them. While scanning for unmet needs among people experiencing homelessness, the assessment should include system needs and barriers that slow housing placement. Examples are unstandardized program applications among providers, differing eligibility and documentation requirements, and non-uniform adherence to best and community practices. These kinds of qualitative scans of providers will help identify where funding needs to be flexible. This idea is not very different from “barrier buster” funding, which is flexible or unrestricted funding that helps solve critical problems keeping people from accessing housing such as paying for IDs and other documentation and supplying maintenance and repair work to prepare and

pass units for inspection. **The key to the success of these initiatives is having stakeholders, service providers, and, importantly, BIPOC and people with lived expertise at the table** to ask what the barriers were and what it would take to break them down.

### **Using Data to Promote Racial Equity**

Using data to assess racial disparities in accessing an FHP and permanent housing resources more broadly should be a primary function when establishing and managing an FHP. **[Start with data that is available to construct a preliminary picture of the homeless response system.](#)** Whom does the system serve and how well across different groups? What are the resources in the system and who accesses them? Working with the Continuum of Care (CoC), an FHP can leverage an array of resources [including Stella P](#), a powerful visualization tool from the United States Department of Housing and Urban Development (HUD) and available to every CoC.

Quantitative data is important from a systems level, gaining insight into the deep disparities experienced by BIPOC. When the FHP becomes operational, **established performance metrics must also be centered on equity.** How long are housing placements taking? Which groups are taking the longest? Why? Using demographics in this way allows FHPs to be mindful and actionable when identifying disparities, particularly in access to community-based housing, which has a history of systemic and institutional racism. As decisions are made based on these data, **BIPOC stakeholders, persons with lived expertise, providers, and community members must be incorporated into the decision-making and review structures, boards, and oversight of the FHP.** The quantitative analysis paired with qualitative insights from BIPOC and those with lived expertise in the community can fuel durable change that addresses the needs of those most negatively impacted by systems, improving the quality and reach of housing programs and the FHP overall.

## **2. Recruit a Champion**

Many FHPs benefit from a private-public partnership and rely on a broad coalition of support that starts with a champion or group of champions. Champions may be either in the public or private sectors and carry with them political or actual capital to kick off an FHP. **The role of the champion is not only to bring partners and funding together, but also to convene supportive housing service providers, organize working groups, and bust system-level barriers.**

## **3. Engage Funding Partners**

FHPs include funding from the private sector through strong partnerships with philanthropy groups, healthcare providers, and insurance organizations. Public money from local, state, or federal governments may provide funding to establish an FHP initially, or perhaps will lay the foundation with more defined funding streams applied toward rental assistance, leaving private capital to fund non-traditional services like furniture, maintenance work, landlord incentives, and unit hold fees.

## **4. Set Up a Financial Structure**

Administratively, a strong relationship with the local CoC and coordinated entry (CE) process is critical, especially if the FHP operator and CoC are different organizations. Finally, becoming or finding a strong financial organization with the technical and accounting capacity to track and pay rental assistance payments to many landlords and property owners is vital to making an FHP a viable and trusted program. The San Diego Regional Task Force on the Homeless (RTFH), San Diego's CoC lead, [released a request for information \(RFI\) in February 2020](#) to determine the interest and availability of partners who could take on the work of operating an FHP financially and administratively. They decided to partition the technology aspects of the program from the financial and administrative responsibilities; others combine them, depending on local objectives and capabilities.

## **5. Recruit and Retain Property Owners**

Housing location focuses on finding permanent housing, both as part of a coordinated case management plan of an individual or family and as part of a general strategy to recruit, educate, and engage potential property owners and units to house those experiencing homelessness. In many communities, **housing location requires an intensive logistical and communication effort to recruit and inventory units, manage a list of people with varying housing needs, and facilitate communication between service providers, funders, landlords, and tenants.** The most effective FHPs have a database or set of databases to organize their housing location and matching efforts. Without some kind of structure, FHPs on a communitywide scale will not be feasible. For communities with an established housing location program, an FHP should—at a minimum—be an active partner to not risk duplication of work or worse: compete for the same landlords and units. Housing location and FHPs are natural partners, and that partnership should be worked out in a formal, written agreement stipulating services provided and requested from both parties.

A comprehensive database combines equal parts of customer relationship management (CRM), finance and bookkeeping, and elements from the Homeless Management Information System (HMIS). **It is important to note**

that the application of technology alone will not serve programs, property owners, case managers, housing navigators, funders, and—above all—tenants seeking permanent housing without also developing proper processes, policies, controls, training, and user buy-in. Before considering a technological solution for housing navigation, stakeholders must consider the role housing navigation plays or will play in the larger system. Some FHP communities decide to contract these housing location and database management components out to other entities through RFPs. While there are even a few off-the-shelf solutions that are emerging, communities should carefully consider what solution will meet the long-term needs of their populations, service providers, and landlords.

## 6. Housing Placements and Performance Management

As has been stated, **the process by which FHPs prioritize and house participants must be coordinated with the local CoC and CE process.** FHP stakeholders and administrators and the CoC will have to evaluate whether and how the FHP prioritization process may be layered into the existing CE process. **Consider eligibility criteria, the population the FHP seeks to serve, the resources and programs managed by the CE process, and the capacity of the CE matching process to take on more resources.** FHPs operate prioritization processes within and outside (with intense coordination and planning) CE. Each FHP will have to determine which approach is best, with input and advice from the CoC and other community stakeholders.

**FHPs should offer a range of housing and service interventions to reach a wide range of needs.** For those with lower needs, shallow subsidies can operate much like a Housing Choice Voucher (HCV): it may be time-limited or not, depending on the funding, and offer “light touch” (if any) supportive services. For more intensive needs, the solution may be PSH with full wrap-around services either in the community with tenant-based housing or in project-based units.

It is important to remember that rental assistance does not have to equal the full amount of rent for a unit. Individuals and families may receive housing and financial assistance on a sliding scale according to their needs. Depending on the funding source’s rules and requirements and the needs of a person or family, rental assistance could go over fair market rent (FMR) and be used in conjunction with another rental subsidy source to pay the difference between FMR and the actual rent amount; otherwise, it can be used by tenants who can pay more than 30 percent of the rent. For example, a family of four (two parents and two children) who are eligible for FHP assistance find an apartment in the community. The apartment is a bit over FMR, but very close to the children’s school. FHP pays up to the FMR with a public source as well as supportive services to one parent who lives with a physical disability, and the family covers the difference as the other parent is employed. Two months after move-in, the parent is laid off and can no longer cover their portion of the rent. With the FHP, private funds may be applied to make up the difference in the short term, keep the family in place, and allow time for the parent to find work and stability.

### Performance Measurement

Collecting the right data that can be extracted, analyzed, and prepared with visualizations for presentation is a critical component of ensuring the goals of an FHP are being met. The data collection for performance measurement must be matched with policy and process. First, **establish consensus on what indicators or metrics are system-critical and actionable.** Then communicate system performance to funders, service providers, and policymakers, using data to identify system challenges and develop solutions to address them. Adopting a data-driven approach means using actionable data combined with qualitative insight to identify challenges and determine solutions. **Metrics should be disaggregated by race and ethnicity, at a minimum, to ensure your system is effectively meeting the needs of BIPOC persons experiencing homelessness.** In order to maintain consistent communication and respond to changing program priorities, FHP oversight, governance, or stakeholder groups should meet at least quarterly. Often, working groups or subcommittees are formed that meet more often to consider and recommend changes.

Level	Metric
System-Level Metrics	<ul style="list-style-type: none"> <li>Percentage of units leased, in process, vacant, inactive</li> <li>Average/Median length of time tenants remain housed (housing stability)*</li> <li>Unit quality by property manager</li> </ul>
System-Level Metrics	<ul style="list-style-type: none"> <li>Average/Median of times units are viewed before a tenant moves-in</li> <li>Average/Median rents by geographic area (rent comparable)</li> <li>Rate of failed inspections</li> </ul>

Level	Metric
Process-Based Metrics	<ul style="list-style-type: none"><li data-bbox="732 174 1422 233">• Average/Median length of time from housing location enrollment to permanent housing move-in</li><li data-bbox="732 233 1443 294">• Number of times units are declined by tenants seeking housing</li></ul>

## Resources and Additional Reading

- [History and Takeaways from Los Angeles County’s Flexible Housing Subsidy Pool \(Hilton Foundation/Abt\)](#)
- [Hilton Foundation Fact Sheet, LA FHSP](#)
- [Brilliant Corners Fact Sheet, LA FHSP](#)
- [Accelerating the Development of Permanent Supportive Housing \(HPRI Research Symposium\)](#)