Department of Mental Health - Behavioral Health Services Act (BHSA) Housing Interventions

Maria Funk, Ph.D.
Deputy Director, Housing Division
Department of Mental Health

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Overview

1) BHSA and Housing Interventions Overview

2) DMH Housing Programs

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BHSA and Housing Interventions Overview

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What is BHSA?

BHSA is a voter-approved State reform that went into effect July 1, 2026.



- *Replaces the Mental Health Services Act (MHSA)*

BHSA Goals

- Prioritize **highest-need populations**
- Expand **substance use disorder** treatment, **housing supports**, **integrated BH** services
- Increase **accountability**, **transparency** and **equity** in behavioral health outcomes

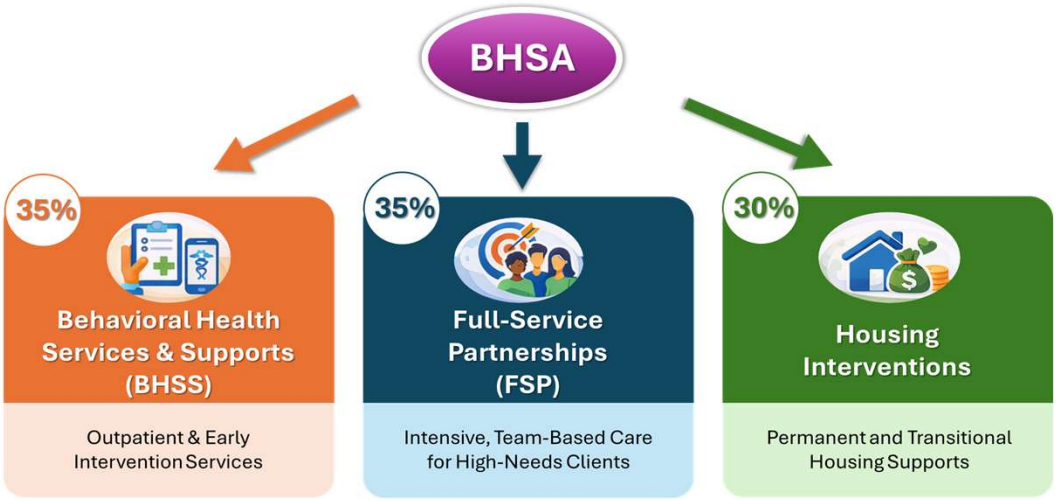
Implications for DMH

- **Funding reallocations** to support higher acuity care and housing
- Restructuring services around a **standardized continuum of care**
- New **reporting requirements** tied to statewide behavioral health goals

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How are BHSA funds required to be spent?

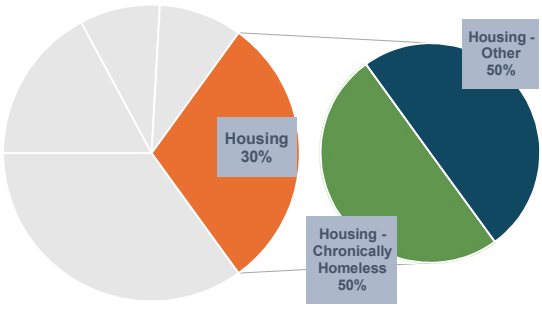


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What are the funding requirements under BHSA?

- 30% of BHSA funding must be used on **Housing Interventions** for DMH clients **experiencing or at-risk of homelessness***.
- Of this funding, 50% must be used on **Housing Interventions** for individuals who are **chronically homeless** - with a focus on those living in **encampments**.



* References to homelessness in this presentation are in alignment with the BHSA Policy Manual or other sources.

Housing services that are eligible to be funded by BHSA are known as **Housing Interventions**.

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What Housing Interventions are eligible to be funded by DMH Housing Programs under BHSA?

Interim Housing (Time-Limited)	• Interim Housing • Motel/Hotel Stays		
Permanent Housing (Non Time-Limited)	• Rental Subsidies • Licensed Residential Care • Single Room Occupancy (SRO)	• Shared Housing • Tiny Homes • Room & Board (unlicensed)	• Master Leasing • Recovery/Sober Living Homes
Other Housing Supports*	• ID/Document Costs • Housing Application Fees **(NEW)** • Credit Report Fees **(NEW)** • Rental Holding Fees • Security Deposits • Utility Deposits • Move-In Costs – Furniture • Storage Fees **(NEW)**	• Move-In Costs - Transportation (e.g. moving truck, movers) **(NEW)** • Pet Deposits/Other Pet Costs (e.g. temporary pet boarding) **(NEW)**	• Damage Reimbursement **(NEW)** • Eviction Prevention • Rental Arrears • Utility Arrears

* Under BHSA, DMH is able to fund **new** housing service categories in addition to what was previously funded by MHSA.

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What did BHSA change for housing services?

Requires clients who are members of Medi-Cal Managed Care Plans to apply for housing-related benefits they may be eligible for under the CalAIM Community Supports – Transitional Rent and Housing Deposits programs

Limits the length of clients' stay in interim housing settings to 12 months

Introduces Homeless Management Information System (HMIS) reporting requirements



Requires clients meet Specialty Mental Health Services access criteria as well as BHSA definition of experiencing homelessness, chronically homeless or at risk of homelessness

Creates new allowable funding categories including damage reimbursement, housing application fees, credit report fees, storage fees, pet deposits and transportation

Establishes habitability standards for housing settings

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Who is eligible for BHSA Housing Interventions?

Clients are eligible for BHSA Housing Interventions funding if they meet the following:

Access criteria for Specialty Mental Health Services

AND/OR

Have at least one diagnosis of a moderate or severe Substance Use Disorder (SUD)

AND

BHSA definition of:

- At-Risk of Homelessness

  OR
- Experiencing Homelessness

  OR
- Chronically Homeless with a focus on those in encampments.

NOTE: BHSA definitions differ from the HUD definitions and are generally more inclusive.

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What are the housing-related Medi-Cal benefits that align with BHSA allowable resources?

Transitional Rent (TR) and Housing Deposits (HD) are CalAIM Community Supports benefits intended to support eligible Medi-Cal MCP members with their transition to stable housing as follows:

Transitional Rent and Housing Deposits - Benefits Overview	
Transitional Rent	• Provides up to 6 months of rental assistance in eligible interim/permanent housing settings. • Excludes congregate interim housing settings, motel/hotel stays used as short-term emergency shelter and licensed residential care. • Does not need to be used continuously or in conjunction with HD but cannot be accessed again once the benefit is exhausted – even if the client moves to another housing setting.
Housing Deposits	• Provides one-time assistance to secure and establish permanent housing including security deposits, utility deposits, utility set-up fees and first month utility expenses. • Can also be used for medically necessary items needed to establish a safe home like air conditioners, heaters and hospital beds. • Does not need to be used in conjunction with TR but cannot be accessed again once HD benefit is exhausted – even if the client moves to another housing setting.

NOTE: For DMH, Transitional Rent and Housing Deposits have not been fully implemented (as of 10/22/26).

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DMH Housing Programs

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DMH Housing Continuum

DMH-funded Housing Programs

INTERIM HOUSING

Interim Housing Program (IHP)

Pathway Home

Diversion, Re-Entry and Mental Health (DREAM) Program

Transition Age Youth (TAY) Enhanced Emergency Shelter Program (EESP)

PERMANENT HOUSING

Enriched Residential Care (ERC)

Rental and Housing Assistance Program (RHAP)

Federal Housing Subsidies

Capital Investment and Other DMH Managed Units

DREAM Program

HOUSING STABILITY

Housing Supportive Services Program Full Service Partnership – Intensive Case Management (HSSP FSP-ICM)

Rental and Housing Assistance Program (RHAP)

Which DMH divisions and programs manage or have access to BHSA Housing Interventions funding?

- Housing Division
- Office of TAY through EESP and Drop-In Centers
- Directly-Operated Programs using CAL-Cards
- Outpatient Program Organization Provider (OP-OP) Contracts using Client Support Funds – Housing Interventions
- Prevention Services – United Mental Health Promoters

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Growth in DMH Housing Division Resources for People Experiencing Homelessness



FY 22-23
7,207

FY 24-25
10,429

FY 25-26
11,357

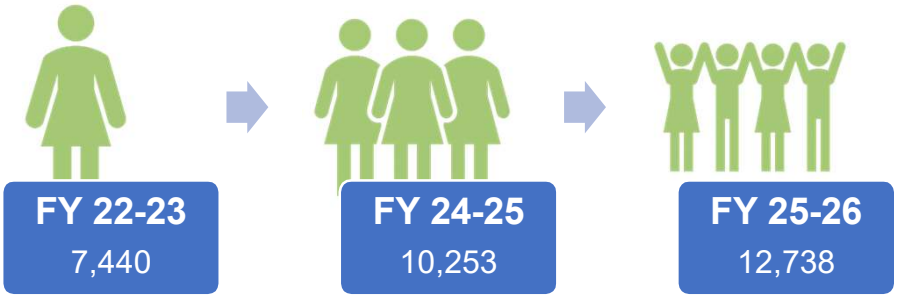
58%
increase from
FY 22-23 – FY 25-26

Populations Served:
Adults, Seniors, Transition-Aged Youth, Veterans, Families, Justice-Involved Individuals

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Growth in Clients Served by DMH Housing Division Resources



71%
increase from
FY 22-23 – FY 25-26

FY 22-23
7,440

FY 24-25
10,253

FY 25-26
12,738

- 4,490 clients newly housed in FY 25-26
  - 2,477 moved into interim housing
  - 2,013 moved into permanent housing
- 42% of clients accessing DMH Housing Division resources were diagnosed with a co-occurring SUD

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DMH Housing Investments

DMH Housing Programs	FY 26-27 Budget
Interim Housing Program	$ 111,857,000
Enriched Residential Care	$ 44,242,000
Capital Development - Enriched Residential Care	$ 42,229,000
Capital Development - Homekey+	$ 35,567,000
Rental and Housing Assistance Program - including Homekey+ rental subsidies	$ 28,822,000
Diversion, Re-Entry and Mental Health (DREAM) Program - via MOU with DHS ODR	$ 27,000,000
Intensive Case Management Services - via MOU with HSH	$ 6,386,000
Transition Age Youth (TAY) Enhanced Emergency Shelter Program	$ 4,689,000
Landlord Outreach and Mitigation	$ 5,000,000
Total	**$ 305,792,000**

Note: This budget includes all funding sources and is not limited to BHSA funding source.

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DMH Housing Division – Interim Housing Resources



Provides short-term shelter services that are intended to serve as a bridge to permanent housing for adults and TAY with SMI or SED and their minor children who are unhoused

Interim Housing FY 25-26	
Total Clients Housed	3,549
Total Housing Resources	1,669

Increase in interim housing beds over the last 2 years:

114%

Sites opening after June 30, 2026

Interim Housing Pipeline	
Number of DMH-Funded Sites	4
Number of DMH-Funded Beds	207

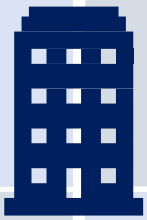
Average utilization of IHP beds in FY 25-26:

94.5%

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DMH Housing Division – Enriched Residential Care (ERC) Resources



Provides funding for individuals with SMI who have higher acuity needs to obtain and maintain housing at an Adult Residential Facility (ARF) or Residential Care Facility for the Elderly (RCFE) including paying for rent, personal and incidental expenses and/or enhanced services rates

ERC FY 25-26	
Total Clients Housed	1,876
Total Housing Resources	1,431

One-year ERC retention rate: **92.5%**

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DMH Housing Division – Permanent Supportive Housing (PSH) Resources



Provides DMH clients who are unhoused with rental subsidies and move-in assistance

PSH FY 25-26	
Total Clients Housed	7,340
Total Housing Resources*	7,427
Total Transactions – Housing Assistance Program	830

Sites opening after June 30, 2026

PSH Pipeline	
Number of DMH-Funded Projects	24
Number of DMH-Funded Units	969

Average PSH retention rate: **93.5%**

*Housing Resources includes units where clients have been matched and are in the process of lease-up.

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DMH Housing Division – Housing Supportive Services Program (HSSP)



Delivers field-based specialty mental health services to individuals with SMI living in PSH as part of an integrated services model

HSSP FY 25-26	
Total Clients Served	3,171
Total PSH Sites	281

As of July 1, 2026, HSSP has transitioned to be a specialty Full Service Partnership-Intensive Case Management Program (HSSP FSP-ICM).

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New DMH Housing Division Initiatives

Enriched Residential Care Plus (ERC+)

- New model for ERC funded through DMH's Behavioral Health Bridge Housing (BHBH) grant
- Dedicates all facility beds to DMH clients and includes highly-robust staffing to meet the needs of highly-acute clients
- First site opened in SA 1 August 17, 2026

Homekey+

- Funding made available through Proposition 1 to support the capital development of PSH for individuals with mental health or substance use disorder challenges who are experiencing or at-risk of becoming unhoused
- DMH serves as lead for LA County and has committed $30M as the local capital development match and $75M over 5 years toward rental subsidies

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Questions?



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