

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 9, 2026

FROM

MARCUS DILLARD, Chief of Homeless Services, Office of Homeless Services

SUBJECT

Community Supports Services Agreement with Kaiser Foundation Health Plan, Inc. for Transitional Rent Services

RECOMMENDATION(S)

1. Approve the **Community Supports Services Agreement No. 26-492** with Kaiser Foundation Health Plan, Inc., with non-standard terms, for the provision of Transitional Rent Community Supports services rendered to eligible Kaiser Foundation Health Plan Medi-Cal Members, for the contract period of January 1, 2026 through December 31, 2026, with automatic four one-year renewal terms, unless terminated by either party with at least 180 days' prior written notice after the initial contract term expires.
 2. Authorize the Chief Executive Officer, Assistant Executive Officer, Deputy Executive Officer, or the Chief of Homeless Services to execute the Community Supports Services Agreement, any non-substantive amendments to the Community Supports Services Agreement, and documents related to the administration of the Community Supports Services, subject to County Counsel review.
 3. Direct the Chief of Homeless Services to transmit the Community Supports Services Agreement and any non-substantive amendments to the Clerk of the Board of Supervisors within 30 days of execution.
 4. Authorize the Auditor-Controller/Treasurer/Tax Collector to post necessary budget adjustments as indicated in the Financial Impact section (Four votes required).
- (Presenter: Marcus Dillard, Chief of Homeless Services, 501-0644)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote and Fulfill the Countywide Vision.

Operate in a Fiscally-Responsible and Business-Like Manner.

Foster Sustainable Development Through Strategic Partnerships.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this Community Supports Services Agreement (Agreement) will not result in the use of Discretionary General Funding (Net County Cost). Kaiser Foundation Health Plan, Inc. (KFHP) will reimburse the Office of Homeless Services (OHS) for Transitional Rent Community Supports (Transitional Rent) services provided to eligible Medi-Cal members (Members) using Transitional Rent and Behavioral Health Services Act (BHSA) funding.

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The estimated cost of Transitional Rent services is \$2,374,630, consisting of \$2,144,707 in direct rental subsidy assistance and \$229,923 in administrative costs. OHS requests the following adjustments for its 2026-27 budget:

Fund Center	Commitment Item	Description	Action	Amount
6210002905	52002000	Operating Expenses – Services & Supplies	Increase	\$229,923
6210002905	53003205	Public Assistance	Increase	\$2,144,707
6210002905	40909975	Operating Transfer In	Increase	\$2,374,630

BACKGROUND INFORMATION

OHS coordinates San Bernardino County's (County) homeless services system, including housing navigation, rental assistance, and partnerships with healthcare providers to improve housing stability and health outcomes for individuals experiencing homelessness.

KFHP is a licensed Medi-Cal managed care plan that participates in California's Community Supports program (formerly known as In Lieu of Services). Community Supports services are medically appropriate, cost-effective alternatives to State Plan covered services and are approved by the California Department of Health Care Services (DHCS).

Under this Agreement, OHS will serve as a contracted Community Supports Provider, in partnership with the Department of Behavioral Health (DBH), to deliver Transitional Rent services to eligible KFHP Medi-Cal Members experiencing homelessness or housing instability. Transitional Rent services provide short-term rental assistance in supported housing settings to stabilize individuals whose health conditions would be negatively impacted by homelessness. The partnership between OHS and DBH will include coordination necessary to provide Transitional Rent, housing stabilization services, and other Community Supports services to Members, consistent with DHCS requirements, applicable law, and the Member's individualized care plan. DBH will have the authority to initiate a 30-day pre-authorization for eligible services.

The program budget of \$2,374,630 includes both administrative and direct rental assistance components. Administrative costs are based on a per-member rate that supports program operations, including eligibility coordination, care planning, landlord engagement, and billing activities required for Medi-Cal reimbursement. OHS will initially fund eligible services and then submit claims to KFHP for reimbursement consistent with DHCS and HUD reimbursement requirements. OHS estimates that the Transitional Rent Community Supports program will serve approximately 200 eligible Medi-Cal Members during the initial term of the Agreement at an average cost of \$11,873.

The Agreement is retroactive to January 1, 2026 to align with DHCS Community Supports implementation and to allow reimbursement of any potential Transitional Rent Community Supports services provided while contract negotiations were finalized.

Reimbursement for Transitional Rent services will be based on the lesser of charges billed by OHS or the reimbursable ceiling established by the U.S. Department of Housing and Urban Development (HUD), including the applicable DHCS administrative fee structure for the Southern California Region. The HUD ceiling is determined using baseline Small Area Fair Market Rents (SAFMRs), which are calculated by ZIP code and unit size. The current reimbursable limit is 100% of the SAFMR.

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Implementation of the Transitional Rent Community Supports program represents a significant expansion of OHS responsibilities, including increased program administration, fiscal oversight, contract compliance, billing and claiming requirements, and coordination with healthcare partners to ensure alignment with Medi-Cal and DHCS requirements. OHS may return to the Board with a recommendation to enhance organizational capacity at a future date, if necessary.

The Agreement contains the following non-standard terms:

1. The Agreement specifies an Initial Term beginning January 1, 2026 and ending on December 31, 2026, with automatic renewal for successive one-year terms up to a maximum of a five-year term unless either party terminates the Agreement in accordance with the termination provisions.
 - The County standard contract term is five years.
 - Potential Impact: The Agreement creates a contractual arrangement that continues unless actively ended by one of the parties in accordance with the termination provisions.
2. The Agreement is terminable by either party with at least 180 days' prior written notice, but only after the initial term has expired.
 - The County standard contract provides that the County reserves the right to terminate the contract for convenience with 30 days' notice.
 - Potential Impact: The County will not have the ability to terminate the Agreement during the Initial Term and 180 days' notice would be required to terminate after the Initial Term.
3. The Agreement mandates a multi-stage process for resolving disputes between the parties. If informal resolution is not achieved, either party may then submit the dispute to binding arbitration.
 - The County standard contract provides that in the event of a dispute, the parties shall use their best efforts to settle the dispute through negotiation with each other in good faith.
 - Potential Impact: The County may have to resolve disputes in binding arbitration instead of court.
4. The Agreement requires the County to maintain insurance and add KFHP as an additional insured.
 - The County insurance terms are provided in County Policy No. 11-07SP.
 - Potential Impact: The Agreement lacks the required County insurance requirements and requires the County to maintain insurance and name KFHP as an additional insured.
5. The Agreement requires the County to indemnify, defend (with KFHP-approved counsel), and hold harmless KFHP, Kaiser Foundation Hospitals, the regional Permanente Medical Group, and related persons or organizations, as well as their officers, directors, partners, shareholders, agents, and employees, to the extent allowed by law, from and against any and all demands, claims, losses, damages, liabilities, costs, expenses (including attorneys' fees and costs, even if no litigation is commenced), judgments or obligations, actions, or causes of action, but only to the extent arising from or in connection with any acts, failures to act or the performance of or failure to perform obligations hereunder by the County, its

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officers, partners, employees, subcontractors or agents. This includes attorneys' fees even if litigation is not initiated.

- The County standard indemnification terms are provided in County Policy No. 11-07.
- Potential Impact: The County will indemnify, defend, and hold KFHP harmless from claims arising from the performance or failure to perform by the County. The Agreement does not explicitly limit indemnification by reference to comparative fault, gross negligence, or willful misconduct.

6. If KFHP determines that an amendment is needed for the Agreement, or to related Policies and Procedures, in order to comply with legal, regulatory, accreditation, or government plan participation requirements, KFHP can unilaterally provide written notice to the County detailing the proposed modification and the effective date, which must be at least 45 business days in advance. The amendment then automatically becomes effective on the date specified in the notice.

- The Board of Supervisors (Board) must approve amendments to Board approved contracts unless the Board has delegated authority.
- Potential Impact: KFHP can issue an amendment with at least forty-five days' notice if needed to comply with legal, regulatory, accreditation, or government plan participation requirements.

OHS recommends approval of this Agreement, including the non-standard terms, due to the benefits of expanding Transitional Rent services and securing funding for housing support. This Agreement strengthens partnerships with healthcare providers, supports the County's Homeless Strategic Action Plan and Countywide Vision, and improves coordination between housing and healthcare services to help reduce homelessness and improve quality of life.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455, and Jason M. Searles, Supervising Deputy County Counsel, 387-5478) on May 6, 2026 and April 6, 2026; Risk Management (Stephanie Mead, Staff Analyst II, 386-9044) on April 8, 2026; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on May 7, 2026; and County Finance and Administration (Paul Garcia, Administrative Analyst, 386-8392) on May 18, 2026.

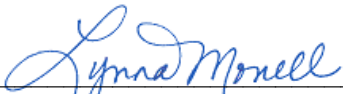
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 9, 2026



cc: OHS - Dillard w/ agrees for sign.
Contractor c/o OHS w/ agree
File w/ agree
JLL 06/29/2026