

**Los Angeles County Launches “Just in Reach” Supportive Housing Program  
to Break Cycles of Homelessness and Re-Incarceration**

***Innovative public-private partnership uses “Pay for Success” financing model  
to maximize public resources and ensure positive outcomes for individuals***

LOS ANGELES (October 3, 2017) — Los Angeles County has launched Just in Reach (JIR), a new health-based housing program that will reduce jail recidivism and help end homelessness among people experiencing repeat jail stays. Over four years, JIR will place 300 homeless individuals who are currently in custody within the county jail and who have a mental health and/or substance-use disorder into permanent supportive housing.

The innovative public-private partnership is the region’s first program to be funded through a “Pay for Success” financial model. Pay for Success uses up-front private funding to ensure the most positive outcomes for individuals and communities, reduce the financial risk to government, and maximize public resources.

The initiative’s key partners include the Los Angeles County Department of Health Services (DHS), CSH and the National Council on Crime & Delinquency (NCCD), in partnership with the Los Angeles County Sheriff’s Department (LASD) and the County CEO’s Office (CEO). The Conrad N. Hilton Foundation and UnitedHealthcare have invested a combined \$10 million in the program. Awards from the U.S. Department of Housing and Urban Development and the California Board of State and Community Corrections will support various program activities and evaluative work. Through Nonprofit Finance Fund, the James Irvine Foundation provided grant funding to engage Third Sector Capital Partners, which conducted the feasibility assessment and contributed to the financial modeling for the Pay for Success contract.

**How It Works**

Just in Reach builds on the success of two DHS initiatives: the Office of Diversion and Reentry, whose mission is to divert people living with a mental and/or substance-use disorder away from the justice system and into community-based treatment; and the Housing for Health program, which has provided supportive housing to over 3,500 people, 96% of whom have remained in housing for 12 months or more.

The program will be managed by the Office of Diversion and Reentry. Along with receiving permanent supportive housing, people who are participating in the program will be connected to mental health, substance-use treatment, and physical health services. Additionally, they will

receive intensive case management before, during and after securing housing to help them remain housed and to reduce their likelihood of returning to jail.

“Nearly 60,000 people currently experience homelessness in LA County on any given night,” said **Judge Peter Espinoza, Director of DHS’s Office of Diversion and Reentry**. “For individuals cycling through our criminal justice system, overcoming homelessness can be deeply challenging and short-term fixes aren’t enough. Just in Reach is a huge step toward reducing re-incarceration by connecting people to permanent, stable homes.”

People struggling with homelessness and mental illness often find themselves going in and out of the criminal justice and emergency health care systems, rather than connected to the permanent solution of housing. This vicious cycle is costly and leads to poor health outcomes.

“Pay for Success financing is driving supportive housing with these innovations in other cities such as Denver,” said **Deborah De Santis, CEO & President of CSH**. “But the LA jail system is the largest in the nation and, through programs like Just in Reach, can be the leader in investing public, private and philanthropic resources into solutions we know benefit the entire community.”

### **An Innovative Financing Model**

Just in Reach is unique in its “Pay for Success” funding structure, whereby the private sector provides up-front financing that is repaid by government only if agreed upon successes are achieved. Repayment is based on outcomes: if the program is successful (e.g. individuals are placed in and retain stable housing), government pays back the private funders. If the program is not successful, the private funders assume the loss of their investment.

“Just in Reach represents an exciting opportunity for LA County because it is so heavily grounded in what works to reduce recidivism,” said **Kathy Park, Chief Executive Officer of NCCD**. “The Pay for Success financing structure also relies on what works, ensuring that services lead to improved outcomes while also reducing housing and jail costs down the road.”

The Conrad N. Hilton Foundation, a regional leader in private philanthropy to end chronic homelessness, and UnitedHealthcare, a health and well-being company that serves more than 3.7 million people in California, have made a combined \$10 million initial investment in Just in Reach.

“We’re excited to be part of this significant milestone for public-private partnership in LA County,” said **Bill Pitkin, Director of Domestic Programs for the Conrad N. Hilton**

**Foundation**, which has committed over \$87 million since 2010 toward ending chronic homelessness in LA County. “The Foundation is proud to jumpstart another initiative within the county that lifts up supportive housing as the solution to the cycle of homelessness and recidivism” and this time through an innovative financial model.”

“UnitedHealthcare is investing in an innovative program that will give people access to quality supportive housing and help them live healthier lives,” said **Bob Oberrender, Treasurer and Chief Investment Officer, UnitedHealth Group, which through its UnitedHealthcare business** has committed more than \$19 million to support affordable-housing programs in Los Angeles County in 2017. “Through partnerships like this we can help make a positive difference in the lives of individuals and their families affected by homelessness as a result of recidivism.”

As an alternative to up-front government funding, Pay for Success has the essential benefit of removing risk for government by having private investors finance initial costs and jumpstart innovative programs. Further, the model has enabled Los Angeles County to access state and federal resources not otherwise available.

Pay for Success has emerged as a viable strategy to finance supportive housing in places such as Los Angeles County, where there is a concerted and community-backed effort to end chronic homelessness. Pay for Success-funded projects that expand supportive housing are currently being implemented in Denver, Santa Clara and Massachusetts.

### **About**

**LA County Department of Health Services (DHS)** is the second largest municipal health system in the nation. DHS ensures access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners. [www.ladhs.org](http://www.ladhs.org)

**CSH** is the leader in supportive housing, investing over \$650 million to demonstrate its ability to improve the lives of very vulnerable individuals and families. Through our financing, consulting, training and advocacy, CSH has helped communities and local providers create over 200,000 stable, permanent homes for those once homeless or confined to institutions. The U.S. Department of Housing and Urban Development supports the delivery of CSH technical assistance for this initiative.

<http://www.csh.org>

For Immediate Release  
October 3, 2017

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**National Council on Crime and Delinquency (NCCD)** improves outcomes for at-risk children, youth, adults, and families through research and policy innovation. Every day, our work touches millions of lives, transforming the cycle of abuse, neglect, violence, and crime into one of safety, well-being, and hope. <http://www.nccdglobal.org>

**The Conrad N. Hilton Foundation** conducts strategic initiatives in six priority areas: providing safe water, ending chronic homelessness, preventing substance use, helping young children affected by HIV and AIDS, supporting transition-age youth in foster care, and extending Conrad Hilton's support for the work of Catholic Sisters. The Foundation has awarded more than \$1.5 billion in grants, distributing \$109 million in the U.S. and around the world in 2016. <https://www.hiltonfoundation.org>

**UnitedHealthcare** is dedicated to helping people nationwide live healthier lives by simplifying the health care experience, meeting consumer health and wellness needs, and sustaining trusted relationships with care providers. The company offers the full spectrum of health benefit programs for [individuals](#), [employers](#), military service members, retirees and their families, and Medicare and [Medicaid](#) beneficiaries, and contracts directly with more than 1 million physicians and care professionals, and 6,000 hospitals and other care facilities nationwide. UnitedHealthcare is one of the businesses of UnitedHealth Group (NYSE: UNH), a diversified Fortune 50 health and well-being company. For more information, visit UnitedHealthcare at [www.uhc.com](http://www.uhc.com) or follow @UHC on Twitter.