



I N P R A C T I C E

Mobilizing Los Angeles County to End Chronic Homelessness

*Lessons learned from a large philanthropic
investment in system change, 2004 to 2010*

Martha R. Burt

December 2011

Foreword

Chronically homeless people are among the most vulnerable in our society—and they are among the most costly to society.

For more than two decades, the Hilton Foundation has been addressing homelessness in the United States. Over this period, the Foundation has granted nearly \$60 million to address the problem of homelessness, of which \$34 million has targeted our current focus area of Los Angeles County. Through an active collaboration of nonprofit, government, and corporate partners, we are working to make permanent supportive housing a reality for chronically homeless people in this county.

Los Angeles is home to 12,000 chronically homeless people, many of whom have been homeless for years and have severe disabilities, such as mental illness, substance abuse disorder, and chronic health problems. These are among the most vulnerable people in our society—and they are among the most costly to society, absorbing a disproportionate amount of health and public safety services. A wide body of research shows that permanent supportive housing is the best, most cost-effective solution to chronic homelessness.

This approach combines affordable housing with a comprehensive system of supports for mental health, substance abuse prevention, employment, and more. In practice, it restores stability, autonomy, and dignity. A recent study has shown that permanent supportive housing reduces chronic homelessness costs in Los Angeles by 44 percent.

We are pleased to share the results of the Hilton Foundation's *Ending Homelessness for People with Mental Illness in Los Angeles Initiative*. This initiative began in 2004 and was funded for six years with \$8 million in grant and loan funds to the Corporation for Supportive Housing (CSH). Urban Institute researcher Martha Burt, one of the nation's leading experts on homelessness, was hired by CSH to evaluate the initiative, producing a series of four evaluation reports. We appreciate her providing reflections based on that evaluation through this *In Practice* report, part of our efforts to share lessons learned from our initiatives.

As outlined in this brief, this initiative with CSH had many successes. In 2010, based on this progress, our Foundation board approved a more comprehensive strategy to further our commitment to ending homelessness in Los Angeles County, pledging to grant up to \$50 million over the next five years and use our voice to push systems change for long-term solutions.



Steven M. Hilton
President and CEO, The Conrad N. Hilton Foundation
December 2011

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About the Author

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About the Conrad N. Hilton Foundation

The **Conrad N. Hilton Foundation** was created in 1944 by international business pioneer Conrad N. Hilton, who founded Hilton Hotels and left his fortune to help the world's disadvantaged and vulnerable people. The Foundation currently conducts strategic initiatives in five priority areas: providing safe water, ending chronic homelessness, preventing substance abuse, caring for vulnerable children, and extending Conrad Hilton's support for the work of Catholic Sisters. Following selection by an independent international jury, the Foundation annually awards the \$1.5 million Conrad N. Hilton Humanitarian Prize to a nonprofit organization doing extraordinary work to reduce human suffering. From its inception, the Foundation has awarded nearly \$940 million in grants, distributing more than \$100 million in 2010. The Foundation's current assets are approximately \$2 billion. For more information, please visit www.hiltonfoundation.org.

About In Practice

In Practice is a series of knowledge papers published by the Conrad N. Hilton Foundation. It reports on Foundation program strategies and partnerships, and seeks to help inform the practice of other funders and policymakers working in areas of great human need.

Introduction

In 2004, the Conrad N. Hilton Foundation granted the Corporation for Supportive Housing (CSH) \$7 million and made a \$1 million loan to fund the six-year *Ending Homelessness for People with Mental Illness in Los Angeles Initiative*. CSH had spent the previous 13 years developing a strategy for permanent supportive housing and documenting that this approach clearly worked to bring even the most disabled and recalcitrant individuals into housing after years of homelessness. Vital to that strategy was work with public agencies and legislators to change systems so public resources began to flow to create and sustain permanent supportive housing.

The Hilton Foundation has a long commitment to improving the lives of people with mental illnesses.

These people are especially vulnerable to homelessness.

Continuing a partnership of more than ten years, the Hilton Foundation and CSH decided it was time to “take on” chronic homelessness in Los Angeles County. Steve Hilton, the Foundation President, had previously encouraged CSH to open an office in Los Angeles, based on the great need in this area and the fact that it is the Foundation’s backyard.

Given the size of Los Angeles County’s homeless population and the complexity of its governing structures, the Hilton Foundation and CSH knew they would have to act in a big way. System change was the watchword for this endeavor, because without major shifts in public resources there would never be enough money to develop an adequate supply of supportive housing for the population in need.

Why Homelessness?

Homelessness has been on the national public agenda since gaining high visibility during the major recession of 1981-1982. While only about one-third of people homeless on any given day have a serious mental illness, a significantly larger proportion of people whose homelessness has lasted a long time have this disability, which is often complicated by addictions and physical illnesses.

In the context of its mission to improve the lives of disadvantaged and vulnerable people throughout the world, the Hilton Foundation has a long commitment to improving the lives of people with mental illnesses. These people are especially vulnerable to homelessness as a consequence of their disability coupled with poverty and lack of adequate public programs to assure their well-being.

In 2003, Los Angeles County had a massive homelessness problem, and was not at all mobilized to end homelessness.

Why Permanent Supportive Housing?

The concept of permanent supportive housing emerged in the early 1990s. At that time, the federal government launched a research-demonstration program to see what would work to end homelessness among persons with severe mental illness and/or chronic substance abuse, with a focus on those experiencing long-term homelessness (defined as at least a year, but in reality often much longer). Results consistently showed that services were not enough to achieve this goal. Without a housing component, no amount of medical or social services reduced levels of homelessness. Offering housing alone was often not enough either, as long-term homeless people with major disabling conditions would lose this housing in the absence of supports that helped them fulfill their obligations as tenants. However, when housing was supplied along with services, people would come in from the streets and remain stably housed.¹

The approach of combining housing and supportive services worked, and became known as permanent supportive housing. It earned the distinction of being selected as an “evidence-based practice” from the federal Substance Abuse and Mental Health Services Administration through careful research documenting its effectiveness. The housing may take many forms—apartments, houses, group houses, or single room occupancy hotel rooms. And the supports may be offered through many mechanisms—on-site staff, drop-in locations, or community-based mobile teams. It is the *combination* of housing and service components that is essential. Either one alone is not enough. Practitioners and advocates quickly got the message: This can be done, we can end homelessness for this population, but it takes *services plus* housing!²

Starting in 1991, the Corporation for Supportive Housing dedicated itself to helping communities create permanent housing with services to prevent and end homelessness. It pursues this mission by providing advocacy, expertise, leadership, and financial resources to make it easier to create and operate permanent supportive housing, and conducts research to document the effectiveness of this approach. Recognizing that no single source of funding covers all the needed elements of this strategy, and that organizations often had to piece together as many as 15 to 20 funding sources to develop and sustain a project, CSH made expanding funding streams a core part of its work to increase availability by 150,000 units in the 10 years ending in 2012. CSH grew to have offices in 11 states and works with local elected officials and public agency decision makers to expand and redirect public funds toward permanent supportive housing.³ The \$200 million that has flowed through CSH over the years has leveraged more than a billion dollars invested in supportive housing.

The Hilton Foundation has applied resources to end homelessness for people with mental illnesses for more than two decades. It has funded and worked with CSH for many of these years to promote permanent supportive housing and related system change as the strategy most likely to succeed. In 2003, Hilton Foundation and Robert Wood Johnson Foundation support allowed CSH to open an office in Los Angeles.

The decision to act was made with acceptance of the fact that any serious attempt to make a difference in Los Angeles County would have to be sizeable and multi-pronged.

Why Los Angeles?

With a commitment to improving the lives of disadvantaged and vulnerable people around the world, the Hilton Foundation takes on challenging tasks. In 2003, its home community, Los Angeles County, was the largest county in the country and was not at all mobilized to end homelessness. This county and its 88 cities had a massive homelessness problem, but were making no more than token and piecemeal efforts to address it. “Chronic homelessness” was anything but a household expression in this locale: Few understood its many and varied forms and no one beyond a handful of people in the homeless assistance system was committed to ending it. Few local policymakers had heard of permanent supportive housing and even fewer felt it was part of their responsibility to see that more was developed.

Government or community-wide commitments to create supportive housing were nonexistent except in a few smaller cities. Homeless people, especially those whose homelessness was long-term and who had many disabling conditions, were concentrated in the area known as Skid Row within downtown Los Angeles as a matter of public policy, and then largely ignored by government decision makers.

In 2004, no viable municipal or county-wide plans existed to address homelessness, let alone end it, for either long-term homeless people with disabilities or for all homeless people.⁴ The first count of homeless people would take place almost two years later and establish Los Angeles County as “the homeless capital of the nation.” In picking this location for a large initiative, the Hilton Foundation saw that “no place needs it more,” and realized that “if homelessness can be eliminated here, it can be eliminated anywhere.”

The decision to act was made with acceptance of the fact that any serious attempt to make a difference in Los Angeles County would have to be sizeable and multi-pronged—it would not do to launch a rowboat in hopes of turning an aircraft carrier.

A Long-term Strategy

Given the enormity of the goal to change Los Angeles County, it was obvious that many years of concerted effort would be required. Having committed themselves to a long-term strategy, the Hilton Foundation and CSH examined potential leverage points and the likely best ways to bring about huge needed shifts in knowledge, attitude, and commitment.

Four primary strategy elements took shape based on approaches CSH had used in other states and communities:

- Bring local government agencies together to organize resources and coordinate efforts
- Build the capacity of local developers and service providers to create and run permanent supportive housing
- Work to develop more resources (at every government level and from local and national philanthropies)
- Bring in new constituencies and develop multiple points of influence

These elements became the heart of the *Ending Homelessness for People with Mental Illness in Los Angeles Initiative*.

And they are working.

Real Progress Over Six Years

By early 2010, at the end of the initiative's six-year duration, the local situation had changed dramatically.⁵

While Los Angeles County had not "solved" homelessness in general, or specifically with the long-term homeless population of people with mental illnesses, it had undergone a positive shift in public awareness, accountability, and coordination of agency activity. By this time, most decision makers accepted that they had a responsibility to end chronic homelessness and that supportive housing was the most effective approach for reaching this goal. They were expecting, and planning, to continue this work. Further, many new organizations and agencies were involved in developing supportive housing.

By 2010, Los Angeles County had undergone a transformation in public awareness, accountability, and coordination of agency activity.

The amount of open and occupied supportive housing had nearly doubled (from 5,400 to 10,000 units), with thousands more in the pipeline. Needed state and local resources had been created, alliances were multiplying, and new areas of the county were shouldering responsibility for their own homeless populations. Plus, new and influential constituencies such as the business community had become actively involved.

These results mark significant progress as well as a sustainable set of relationships and resources to continue the work of eradicating homelessness for the most vulnerable people in Los Angeles County.

This brief reports on the success factors, as well as related activities and examples, that can be drawn from the initiative to date.

Success Factors

Following is a summary presentation of factors most responsible for the significant changes in the Los Angeles homeless scene in just six years.

Use a Lead Agency

As influential as foundation representatives can be, they are not in a position to take on the day-to-day management of system change. This work is best led by an independent agency—a party that has credibility among the entities to be engaged, but is not a direct stakeholder or beneficiary in the outcomes expected from system change. Neutrality and trust are important, as is expertise that is valued by the organizations to be engaged. The ideal lead agency is one that other players view as capable of helping them succeed. The Corporation for Supportive Housing met these criteria, and was a natural choice for the Hilton Foundation. The Foundation and CSH had a longstanding relationship, and CSH had recently adopted a focus on Los Angeles County. The Hilton Foundation viewed CSH as the intermediary that could work to “change the norm” to help Los Angeles move beyond acceptance of chronic homelessness and become dedicated to ending it.

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The stakes were high for both CSH and the Hilton Foundation as they discussed what this change would take. The CSH experience with mobilizing commitments and resources in a number of other places was analyzed to determine how best to proceed. Having set the initiative’s goals and broad strategy elements, the Hilton Foundation gave CSH the flexibility to pursue these goals and employ its strategies in whatever ways seemed most promising. Hilton Foundation staff remained active with regard to knowing what was being done, attending meetings, helping to strategize, and connecting with other initiative partners when its involvement could bring important stakeholders—such as other foundations and key local elected officials—to the table. But CSH did the day-to-day work to move the initiative forward. The Weingart Foundation, often a partner with the Hilton Foundation in homeless-related investments in Los Angeles, followed the same strategy of using an intermediary when it committed itself to improving access to health care for homeless people living in Skid Row.⁶

Help Local Governments Work Together

Local government agencies charged with providing housing, health care, mental health and substance abuse programs, cash and other public benefits, and social services have resources that could be used to develop and maintain permanent supportive housing. Most of the time, however, these resources are not focused on reducing or ending homelessness, nor are they integrated across agencies in ways that are necessary to help homeless people who have the most complex and longstanding needs. To further complicate matters, in Los Angeles it is county agencies that, for the most part, have responsibility for services while city agencies control housing dollars. The permanent supportive housing model needs both, so an essential strategy for reaching initiative goals was to help local government agencies work together.

CSH became the place to call when city or county agency staff, workgroup or taskforce members, or staff of elected officials needed facts and figures on supportive housing and homelessness.

Early in the initiative, Steve Hilton joined colleague CEOs from The California Endowment and Weingart Foundation to convene a meeting between the City of Los Angeles Mayor and a Los Angeles County Supervisor to push for increased coordination of efforts to address homelessness. The Hilton Foundation grant gave CSH the resources to staff a number of committees, workgroups, and task forces assembled to further the work on ending homelessness. CSH provided these groups with essential information, analysis, interpretation, solutions to challenges it had encountered in other communities, draft plans, meeting facilitation and, basically, “whatever it takes” to help them do their work. CSH became the place to call when city or county agency staff, workgroup or taskforce members, or staff of elected officials needed facts and figures on supportive housing and homelessness. The following examples show the importance of this type of staff support, which is often done quietly and behind the scenes without the appreciation it deserves.

[The Special Needs Housing Alliance](#)

CSH found its first opportunity to advance the initiative by helping the Special Needs Housing Alliance. In June 2001, Los Angeles County established this group, which was the first largely-public entity in the entire county with a focus on housing vulnerable populations, including homeless people. The Alliance had given itself several tasks, but by March 2003 it was stuck on step one, which was to develop an inventory of housing resources for special-needs populations as well as to identify those populations and their service needs. CSH saw the opportunity to serve this Alliance by supporting a staff person from Shelter Partnership, a local nonprofit agency, to create its inventory.

CSH work with the Alliance continued through help in developing a strategic plan, which led in 2006 to the Homeless Prevention Initiative (further described later in this brief).

The Special Needs Housing Alliance was the first entity to bring staff of many county agencies together to integrate services and housing to address homelessness. This created opportunity for county agency staff to get to know their counterparts in other agencies. While most early projects in the Homeless Prevention Initiative occurred within a single agency, these projects benefited from the agency relationships developed through the Alliance. As the Homeless Prevention Initiative unfolded, later projects involved as many as 19 public agencies working together—a truly unprecedented development for Los Angeles.

Today, the Special Needs Housing Alliance’s Project Review Committee plays a vital role in aligning public resources for permanent supportive housing. All developers that receive capital funding from Los Angeles County must bring their plans for new supportive housing projects to this committee, where county departments figure out which county services can support project tenants.

[The Cities-County Joint Permanent Supportive Housing Funding Alignment Workgroup](#)

One of the biggest challenges in Los Angeles was bringing city housing resources and county services resources together to fuel permanent supportive housing development and help tenants maintain their housing.

Peer-to-peer visits are an extremely powerful strategy that CSH uses to inspire stakeholders and decision makers considering a new approach.

Given the magnitude of this challenge, an important development began several years ago—establishing a workgroup with representation from county agencies and agencies in the county’s largest cities. It was named the Cities-County Joint Permanent Supportive Housing Funding Alignment Workgroup. The resolution to create this workgroup emerged from a small conference that brought together elected officials from the county and several cities as well as CSH, Common Ground, the Los Angeles Homeless Services Authority, foundation representatives, and others with the expertise to help the cities and county move forward. The Cities-County Workgroup sought to develop a mechanism to allow a completely integrated funding process leading to “one-stop shopping” for development, operations, and services funding from a combination of city and county agencies.

CSH convened the Workgroup and provided essential staffing support. It created financial models for supportive housing development in the county, which established a frame of reference defining the Workgroup’s ultimate goal. It also worked with the county’s Chief Executive Office staff to identify case management resources in six county departments that could be used to provide services to support housing tenants and to determine how these resources could be attached to specific tenants or projects.

In addition, CSH hosted a planning retreat in which the Workgroup set its agenda. It also sponsored a presentation by CSH national staff to familiarize Workgroup members with the arrangements between New York State and New York City that began in 1991 and led to creation of thousands of units of supportive housing for people with mental illness in that city. CSH also took Workgroup members on a visit to Seattle and Portland in 2008 to see how integrated funding mechanisms work in those cities. Trips like this one, called peer-to-peer visits, are an extremely powerful strategy that CSH uses to inspire stakeholders and decision makers considering a new approach, and to cause them to increase their commitment to supportive housing and its tenants.⁷ The joint funding mechanism that is the Workgroup’s ultimate goal was still not a reality in mid-2011, but it is far closer than when the Workgroup started, and is expected within the year.

Project 50

CSH, through the *Ending Homelessness for People with Mental Illness in Los Angeles Initiative*, did not have a direct hand in implementing Project 50, yet it is an excellent example of how early work by CSH blended with later developments to stimulate multi-agency collaborations that have the potential to make a huge impact on long-term homelessness in Los Angeles County.⁸

Project 50 grew out of the same conference that established the Cities-County Joint Permanent Supportive Housing Funding Alignment Workgroup. City of Los Angeles and Los Angeles County attendees agreed that they would together pilot one important project that focused on the concept of “housing first” for homeless people in need of services. Project 50 proceeded to house its first tenant in January 2008, within one month of being funded. Within 10 months, 49 more people were housed.

Despite their long histories of homelessness and illness, *everyone* who was offered housing through Project 50 accepted. Project 50 clients needed many types of services; these services were initially scattered through many public agencies and departments and became more integrated through the course of the project. Project 50 is being replicated, with more than 500 additional supportive housing units and tenants underway in 2011. These units are supported by county and private funds, and rely on the integrated service networks and modified agency procedures developed during the pilot. In addition, the county's Department of Mental Health shifted its philosophy toward a belief that housing and integrated services are essential to its clients' recovery, a major change that greatly benefits homeless people with mental illness.

To be good supportive housing providers, agencies need know-how, partners, and money.

Build Local Capacity for Supportive Housing Development and Operations

If Los Angeles was to have an adequate supply of permanent supportive housing, the number and capacity of organizations and agencies involved in its production and operations needed to expand greatly. Using Hilton Foundation and other funds, CSH was very successful at developing strategies to strengthen the capacity of existing developers and operators of supportive housing, and at inducing new organizations to enter the field. To be good supportive housing providers, agencies need know-how, partners, and money. CSH used its Hilton Foundation resources to provide direct technical assistance to individual supportive housing development teams. It also re-granted funds to help some development teams explore the feasibility of using specific properties and acquire control of specific sites.

The most extensive and intensive capacity-building activity for CSH was its Supportive Housing Institute, titled *Opening New Doors*. The field of supportive housing faced a major need to help agencies that are lacking experience with housing development, or with service provision to tenants in their housing units, become supportive housing providers. Nationally, CSH began developing the training curricula to fill this need in 2003. After many refinements, a course emerged that lasts most of a year and takes teams of housing developers and service providers through every stage of project development. In Los Angeles, CSH ran its *Opening New Doors* course three times during the initiative period between 2004 and 2010. After each course, CSH took the lessons learned and revised content and methods to make its next course even more useful to organizations entering the supportive housing arena. A primary purpose was to help mental health and other service providers, including those at very early stages of thinking about potential projects, link with experienced housing developers.

Opening New Doors succeeded at its goal of expanding the number of agencies developing and operating supportive housing. It graduated 58 nonprofit agencies over the years, most of which have gone on to develop new supportive housing. Of the 31 projects that were approved for a total of \$115 million in funding from the MHS Housing Initiative in Los Angeles (discussed on the following pages), 28 involved agencies that graduated from *Opening New Doors*. By 2010 many of these agencies were involved

in their first supportive housing project and anticipated continuing in the field. Because many are from areas beyond downtown Los Angeles, they also comprise a new constituency for spreading permanent supportive housing countywide.

Continually Increase Funding Sources and Levels

Throughout the *Ending Homelessness for People with Mental Illness in Los Angeles Initiative*, CSH and its partners and allies actively sought to expand funding for supportive housing. CSH pursued promising venues and was alert to circumstances that brought it in contact with agencies that had resources, and offered its services or those of its partners to help guide those resources toward permanent supportive housing. It found several possibilities at the county, city, and state levels. By putting considerable effort into this activity, CSH had good success turning opportunities to attract new resources into reality.

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Funding the Homeless Prevention Initiative

CSH worked with the Special Needs Housing Alliance (described earlier) to help this work group develop a strategic plan, which was in place in 2005 when the County Board of Supervisors asked to see some ideas of what it could do to affect the county's huge homeless population. Ultimately, the Board unanimously adopted the Alliance's strategic plan and took the unprecedented step of appropriating \$100 million of county general funds for the Homeless Prevention Initiative to support many of the plan's pilot projects. The Homeless Prevention Initiative grew over the years, as pilot projects proved their worth and were renewed or expanded, and as new projects began. Now, six years later, many of the most exciting things happening in Los Angeles to reduce homelessness among people with disabilities, such as Project 50 and the General Relief Redesign (a 2010 Los Angeles County commitment to move more than 10,000 homeless people receiving General Relief into housing and either work or Supplemental Security Income by 2014), owe their start to components of the Homeless Prevention Initiative and its forerunner, the Special Needs Housing Alliance's strategic plan.

Funding Specifically for Permanent Supportive Housing

CSH helped establish several new sources of funding as part of its work in the *Ending Homelessness for People with Mental Illness in Los Angeles Initiative*. Heading the list are the City of Los Angeles Permanent Supportive Housing Program, the Mental Health Services Act Housing Fund (at the state level and then in Los Angeles), and two revolving loan funds that offer pre-development loans to teams creating permanent supportive housing. These new resources are described here.

City of Los Angeles Permanent Supportive Housing Program

The Permanent Supportive Housing Program was the first funding opportunity in the county that allowed housing developers to apply for capital and project-based operating resources with the same proposal. The impetus for this program occurred when the Mayor of Los Angeles announced a commitment of \$50 million for supportive housing (a commitment he repeated twice more during the initiative period).

The Mental Health Services Act creates from \$600 million to \$1.5 billion of dedicated mental health funding for the state's community mental health system each year.

Four City of Los Angeles housing agencies were to contribute resources to this program. The Los Angeles Housing Department, acting as lead agency, asked CSH for technical assistance, and together they approached the California Community Foundation to help support this work. The first funded proposal focused on housing chronically homeless people in mixed population buildings. Ultimately, four rounds of funding through 2010 contributed support for 1,256 new units of permanent supportive housing.

The Mental Health Services Act and its Housing Initiative

During the course of the initiative, CSH worked with state legislators and many other partners on a number of proposals to provide sustainable funding for supportive housing. One of the most important was the Mental Health Services Act. Voter approval of “Prop 63,” a proposition on the 2004 state ballot that established a tax-based funding stream for services to people with mental illness, led to passage of the Mental Health Services Act (MHSA) in 2005 to translate Prop 63 into a state program. Depending on economic conditions, the Act creates from \$600 million to \$1.5 billion of dedicated mental health funding for the state’s community mental health system each year.

Shortly after the MHSA passed, its chief legislative sponsor began looking for ways to use some of its funding to advance supportive housing development and operations and asked CSH to convene an ad hoc working group that led to the development of the MHSA Housing Initiative. Ultimately a plan was developed to use MHSA monies to leverage \$2 billion in bond financing over 20 years and produce thousands of new units of supportive housing. Mental health departments in each county got some of this money—for Los Angeles, it totaled more than \$115 million. The Los Angeles County Department of Mental Health asked CSH and other organizations to participate in an advisory board to help it structure its local allocation of these funds. The result through the end of 2010 has been 28 approved projects offering 716 units of permanent supportive housing plus 660 additional units of affordable housing—a major contribution to creating an adequate supply of supportive housing in Los Angeles County.

Predevelopment Loan Funds

Early in the initiative, CSH began to direct some of its Hilton Foundation funding into pre-development loans to prospective supportive housing developers. These loans give developers the resources to check out different properties, acquire site control, and get initial engineering estimates of what it will take to turn a particular site into supportive housing. If all goes well the developer acquires the site, applies for regular construction loans to undertake the needed development, and repays the loan. Over the initiative’s six years, this pre-development loan activity expanded exponentially, bringing in many new funders.

CSH staff and partners worked with state officials to establish Medicaid (Medi-Cal in California) as a viable source of services funding.

The City of Los Angeles Supportive Housing Loan Fund started with a \$1 million program-related investment from the Hilton Foundation to CSH in 2004. CSH was expected to use this loan to facilitate supportive housing project initiation and as leverage to attract additional funding. CSH invested this \$1 million in the new loan fund hoping to attract \$4 million more from various sources. The Los Angeles City Council approved this fund in October 2007 and authorized city agencies to invest in it. Thanks to contributions from the Los Angeles Housing Department, Fannie Mae, the California Housing Finance Agency, and several banks, the loan fund was launched at \$30 million, exceeding the \$5 million goal six-fold. CSH manages the fund in partnership with several of the investors; the fund lends up to \$3 million per project for acquisition and pre-development costs. Through 2010, this fund made loans for 23 permanent supportive housing projects involving 1,220 new units.

Funding Services to Supportive Housing Tenants

As hard as it can be to acquire the resources needed to create supportive housing units, it is usually harder to assure that tenants get the services they need to retain their housing and thrive. To further this ultimate aim of the initiative, CSH staff and partners worked with state officials to establish Medicaid (Medi-Cal in California) as a viable source of services funding. Two new mechanisms were created to do this, using the flexibility built into the federal Medicaid program that allows states to design parts of their own programs for special purposes.

Key to actually being able to access Medicaid resources is helping tenants enroll in Medicaid. Los Angeles has become extremely good at this often-difficult task through a process that illustrates how, with sufficient vision and persistence, small beginnings lead to major successes. Even before the Homeless Prevention Initiative began, the homeless point person in the county's Department of Health Services had assigned two nurses to retrieve medical data from county hospital and clinic records. These records provided the evidence of disability and duration that allowed homeless people to establish their eligibility for Supplemental Security Income; this federal benefit for the aged, blind, and disabled carries with it Medicaid eligibility. At first the nurses had to travel throughout the county to get the data, but then computers with access to each of the county's seven hospital data systems were assembled in one room—and production soared.

The Homeless Prevention Initiative solidified funding for this activity and, when Project 50 was launched, this team facilitated the application process and Project 50 clients were approved for benefits in record time. When the county committed itself to the General Relief Redesign, this team was expanded to 10 nurses and began having remarkable success.

It was vital to draw in new constituencies, and convince stakeholders that it was both important and possible to house people with disabilities who had been homeless for a long time.

Bring in New Constituencies, Develop Multiple Points of Influence

Los Angeles County covers a huge and diverse geographic area with an immensely complicated government and civic structure. It has 88 incorporated cities, most of which thought about homelessness as a Skid Row “downtown” problem if they thought about it at all. A few parts of the county are home to many service agencies but most areas are relatively service-poor. When the *Ending Homelessness for People with Mental Illness in Los Angeles Initiative* began, most supportive housing was either in downtown Los Angeles or in the downtown areas of Long Beach, Pasadena, Santa Monica, and Glendale. To reach the goals of the initiative, it was vital that CSH and its partners draw in new constituencies, spread the action on supportive housing beyond the few existing enclaves, and convince stakeholders that it was both important and possible to house people with disabilities who had been homeless for a long time.

Councils of Governments

One approach was to work with two Councils of Governments to expand the geographic scope of efforts to end homelessness. The San Gabriel Valley Council of Governments represents 31 small and medium-sized cities in the eastern end of the county, while the Gateways Council of Governments represents 27 cities in the southern part of the county surrounding Long Beach. Work with these two organizations began in late 2008, and as of late 2009 much had been accomplished. Decision makers in the cities served by these two Councils committed themselves to regional solutions to addressing homelessness and developing supportive housing for the people among them with disabilities who experience long-term homelessness. With considerable technical assistance from CSH and its partners, these Councils each developed a regional plan to end homelessness and selected supportive housing as their primary strategy. Most important, several county supervisors took an active interest in these developments, contributing financially and with staff involvement—first to create the plans and later to fund pilot supportive housing projects.

Health Care Providers

Finding the resources to provide continuing supportive services to tenants is often the most challenging aspect of funding. Yet it is essential, as without those services tenants are far more likely to lose their housing and return to homelessness. At present most services for supportive housing tenants are funded by a combination of federal and local government grants and local government contracts. Medicaid, the federal-state health insurance program for poor people, is a potential source of significant funding but one that supportive housing tenants often do not use, for a variety of reasons. CSH and its partners have been working in Los Angeles and elsewhere to identify ways to increase access to this potentially important funding stream.

Federally Qualified Health Centers (FQHCs), organizations dedicated to serving medically underserved communities, are Medicaid providers that could become a new ally as service providers for tenants.⁹ In Los Angeles, CSH and the county’s Department of Health Services worked together for several years to promote a “FQHC services to

tenants in permanent supportive housing” model. Project 50, described earlier in this brief, incorporates services through an FQHC, the JWCH Institute.

The county’s Department of Health Services worked with numerous partners to organize United Homeless Healthcare Partners, whose goal is to establish networks of health-care providers to serve homeless people throughout the county. Several FQHCs outside of Skid Row are now interested in developing this capacity. To further inspire development of the model, CSH sponsored peer-to-peer visits to Portland, Seattle, and Oakland for interested Los Angeles stakeholders to see how FQHCs were working elsewhere. As with the peer-to-peer visit that galvanized the county to create Project 50, these visits were very helpful in clarifying opportunities and helping people think through how they could “make it happen here.”

To further inspire development of the model, CSH sponsored peer-to-peer visits to Portland, Seattle, and Oakland for interested Los Angeles stakeholders.

The Business Community

In late 2009, toward the end of the initiative’s original five-year timeline, the Hilton Foundation gave the United Way of Greater Los Angeles a grant to work with the Los Angeles Area Chamber of Commerce to form the Business Leaders Task Force on Homelessness, with a focus on engaging the business community in understanding the causes and solutions to homelessness. CSH again provided extensive staff support for the Task Force’s work. On November 9, 2010 the Task Force released its report, *Home for Good*, and action plan to end chronic and veteran homelessness in Los Angeles in five years. More than 100 business and civic leaders, local elected officials, and other stakeholders attended the official launch on December 1 to demonstrate commitment to the plan. Most County Supervisors and several Los Angeles City Council members signed on to the report and pledged themselves to its implementation, and the process galvanized many important new stakeholders. County government reports to the Board of Supervisors are now being framed by the progress being made on the goals of *Home for Good* rather than on the narrower issue of outcomes for Homeless Prevention Initiative projects.

Synergy Across Strategies

The strategies used throughout the initiative benefited from considerable synergy. Implementation of each strategy has both been enhanced by and contributed to the success of other strategies.

SYNERGY: STRATEGIES INTERACT TO STRENGTHEN ACTIVITIES				
ACTIVITY	STRATEGY			
	Help Agencies Work Together	Build Provider Capacity	Develop More Resources	Recruit New Constituencies
Supportive Housing Institutes—Opening New Doors		❖	❖	❖
Project 50/General Relief Redesign	❖	❖	❖	❖
Housing Development Funds—City of Los Angeles, mental health, predevelopment	❖	❖	❖	❖
Councils of Governments	❖			❖

Conclusions

Many things have changed in Los Angeles since the *Ending Homelessness for People with Mental Illness in Los Angeles Initiative* began in 2004. Numerous stakeholders in the county are now actively engaged in ending long-term homelessness. The projects and programs developed through the strategies identified early on by CSH and the Hilton Foundation continue to evolve, and now often proceed without direct CSH involvement. CSH continues, however, to provide vital information and technical assistance to important aspects of this work for system change.

Work to end homelessness for people with mental illness is by no means complete in Los Angeles. Yet enthusiasm remains high.

Work to end homelessness for people with mental illness is by no means complete in Los Angeles. The most recently published count, from 2011, shows that there are about 12,000 chronically homeless persons in the county. Permanent supportive housing developers have almost doubled the number of units since 2004; the goal of the initiative was 1,000 new units, but CSH's activities added almost 3,000 units during the initiative period.

Thousands more are needed, however, before all chronically homeless people can be housed. The cities and county have spent more than two years working toward coordinating city housing and county services funding in a more predictable, systematic process, but they have not yet settled on an approach. Project development has slowed, due to the impact of credit freezes and the economic recession.

Yet enthusiasm remains high. In 2010 the Hilton Foundation pledged up to \$50 million over five years and announced a series of grants totaling \$13 million over three years as part of its efforts to build on the initiative. This includes giving CSH continuing responsibilities and funding 12 other endeavors that support promising providers and begin work with new constituencies, such as the faith community, to grow public will. Grantmaking has continued and is increasingly coordinated with other philanthropic and public sector efforts. The implementation of *Home For Good* provides a platform for this alignment, with the potential to create the mechanism for cross-sector, coordinated, and leveraged funding. In August 2011, the Hilton Foundation provided a \$1 million seed grant to establish the *Home for Good Funders Collaborative* to align public and private sector funds for permanent supportive housing.¹⁰

With this work in ending homelessness for an acutely vulnerable population, the Conrad N. Hilton Foundation remains true to its history of long-term commitments and investing in system change more so than in individual projects. The payoff from this approach can already be seen and felt every day in Los Angeles.

Endnotes

- ¹ For reviews of the evidence, see Carol Caton, Carol Wilkins, and Jacquelyn Anderson, People Who Experience Long-Term Homelessness: Characteristics and Interventions, and Gretchen Locke, Jill Khadduri, and Ann O'Hara, Housing Models. Chapters 4 and 10 in Deborah Dennis, Gretchen Locke, and Jill Khadduri (eds.), *Toward Understanding Homelessness: The 2007 National Symposium on Homelessness Research*. Washington, DC: Department of Health and Human Services and Department of Housing and Urban Development (available at www.huduser.org). In the same volume, see also Martha R. Burt and Brooke Spellman, Changing Homeless and Mainstream Service Systems: Essential Approaches to Ending Homelessness (chapter 2) and Dennis Culhane, Wayne Parker, Barbara Poppe, Kennen Gross, and Ezra Sykes, Accountability, Cost-Effectiveness, and Program Performance: Progress since 1998 (chapter 12).
- ² Martha R. Burt. 2003. Chronic homelessness: Emergence of a public policy. *Fordham Urban Law Journal*, 30 (3), 1267-1279.
- ³ Ruth Tebbets Brousseau. 2009. Addressing homelessness among people with mental illnesses: A model of long-term philanthropic effectiveness—How the Conrad N. Hilton Foundation has stayed the course with this model of permanent supportive housing. *Health Affairs*, 28 (3), 907-911.
- ⁴ An earlier plan, *Bring LA Home*, was issued in 2004 but never implemented.
- ⁵ For more detail on many of the activities and accomplishments described in this brief, see Martha R. Burt and Samuel Hall. 2010, *Initiative to End Homelessness for People with Mental Illness in Los Angeles County: Final Evaluation Report*, and Martha R. Burt, Widening Effects of the Corporation for Supportive Housing's System-Change Efforts in Los Angeles, 2005-2008: Hilton Foundation Project to End Homelessness for People with Mental Illness in Los Angeles. Both are available from Urban Institute, Washington, DC (www.urban.org) and Corporation for Supportive Housing, Oakland, CA (www.csh.org).
- ⁶ <http://www.weingartfnd.org/archives--past-grants-at-work>.
- ⁷ Martha R. Burt. 2010. Promoting System Change in New Communities: Effective Strategies for Going "Beyond the Footprint." Oakland, CA: Corporation for Supportive Housing (www.csh.org).
- ⁸ Burt and Hall. 2010.
- ⁹ Patricia A. Post. 2008. Defining and Funding the Support in Permanent Supportive Housing: Recommendations of Health Centers Serving Homeless People. Oakland, CA: Corporation for Supportive Housing (www.csh.org) and the National Health Care for the Homeless Council.
- ¹⁰ For more information on the *Home for Good* Funders Collaborative, visit <http://hiltonfoundation.org/misc-news/340-hilton-foundation-seeds-home-for-good-funders-collaborative>.