

Just in Reach Pay for Success

Final Report



Acknowledgment

Corporation for Supportive Housing (CSH)
and Evident Change, in their capacity

as co-intermediaries of the Just in Reach
Pay for Success (JIR PFS) project in Los
Angeles, California, prepared this report.

**We would like to thank and acknowledge the project
stakeholders who made this initiative possible:**

- + Los Angeles County Department of Health Services (DHS) and the Office of Diversion and Reentry (ODR)
- + Los Angeles County Sheriff's Department (LASD)
- + Conrad N. Hilton Foundation
- + UnitedHealthcare
- + RAND Corporation
- + Intensive Case Management Service (ICMS) providers: Amity Foundation, Special Services for Groups LLC (SSG), Telecare, The People Concern, Volunteers of America
- + Flexible Housing Subsidy Pool Operator: Brilliant Corners

The Department of Housing and Urban Development (HUD)/
Department of Justice (DOJ) Pay for Success Permanent Supportive Housing
Demonstration Program and the California Board of State and Community Corrections
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ABOUT CSH

CSH (Corporation for Supportive Housing) advances affordable housing aligned with services by advocating for effective policies and funding, investing in communities, and strengthening the supportive housing field. Since our founding in 1991, CSH has been the only national nonprofit intermediary focused solely on increasing the availability of supportive housing. Over the course of our work, we have created more than 512,500 units of affordable and supportive housing and invested more than \$2.2 billion in communities. Our workforce is central to accomplishing this work. We employ approximately 170 people across 30 states and U.S. Territories. As an intermediary, we do not directly develop or operate housing but center our approach on collaboration with a wide range of people, partners, and sectors.

For more information, visit [CSH.org](https://www.csh.org).



ABOUT EVIDENT CHANGE

Evident Change is a nonprofit that uses data and research to improve our social systems. At Evident Change, we believe our social systems should help people reach their greatest potential, not create barriers to their success. That's why we partner with systems professionals and communities to get to the root of their biggest challenges, and we give them the tools and knowledge to achieve better outcomes for everyone involved. Because when we join forces with those who work in our systems and the people they serve, we make those systems—and our society—more just from the inside out.

For more information, visit [EvidentChange.org](https://www.evidentchange.org).

Executive Summary

The Just in Reach Pay for Success (JIR PFS) project used upfront funding from investors to provide supportive housing to 349 individuals with disabilities and histories of homelessness who were exiting the Los Angeles County jail system.

These participants received services from Intensive Case Management Service (ICMS) providers aligned with housing subsidies to ease their transition from jail and reentry into the community. The program focused on two primary objectives for the participants: increasing their stay in homes long term and reducing recidivism. These measures were the basis for success payments made by Los Angeles County as part of the performance-based contract for the project.

After four years of successful program operations, JIR PFS accomplished its objectives.

The project's success was sufficient to fully repay the amount provided by investors and yield a modest return on their investment.

This report will provide an overview of how the initiative came together and discuss its performance against the payment-related outcome measures. In addition, RAND Corporation, the project's evaluator, conducted an impact evaluation and cost analysis, including a quasi-experimental assessment of the impacts and cost analysis of the program.



Photo by Kindel Media on Pexels.

349

The JIR PFS initiative successfully connected 349 individuals with homes.

Key Project Successes

The JIR PFS initiative had several critical successes during the project's term. A few are highlighted here:



Positive Outcomes for Participants

The JIR PFS initiative successfully connected 349 individuals with homes. A high percentage of these individuals remained in their homes for at least one year. Further, the initiative saw participants avoiding a return to jail at an even higher rate than was initially projected. These results are strong indicators of success and reaffirm that providing people exiting jails with housing and supportive services can reduce their likelihood of interacting with the justice system.



Continuous Quality Improvement

The JIR PFS initiative had a committed group of stakeholders who met regularly throughout the initiative to review data and performance. This structure provided stakeholders with timely data used to modify and improve programs in real-time.



Strengthening the Model

Based on data from the JIR PFS initiative, ODR made various changes that may have contributed to an improvement in the project results, particularly the 12-month housing stability rate during the time the program was operational. These changes included reducing staff-to-client ratios among the ICMS providers from 1:20 to 1:15, offering additional behavioral health services, bringing on more ICMS providers, improving communications with the justice/jail system, and increasing the range of housing options available to participants.



Navigating the COVID-19 Pandemic

A significant period of the initiative occurred during the COVID-19 pandemic. As a result, the ODR and ICMS providers adjusted practices to ensure client and staff safety. As is further noted in the [JIR PFS 2020 Annual Report](#), ODR quickly adapted to safe practices based on newly updated COVID-19 response guidelines, which served clients across all ODR housing programs, including JIR PFS.

The Problem

Los Angeles County has one of the largest jail systems in the United States.

On any given night, the county jail holds more than 17,000 inmates¹. The Los Angeles Sheriff's Department estimated in 2015 that at least 20% of inmates experience homelessness or are at risk of homelessness upon reentry to their communities. Echoing national findings, data specific to California strongly suggests that the population of people held in jail who have a severe mental illness (SMI) have higher recidivism rates than any other group, with an average of 74% returning to custody within three years, compared to 50% for the general population of individuals who previously exited jail.²

Across the country, homelessness and recidivism create a cycle of involvement with the justice system that negatively affects individuals' health and well-being. People caught in this cycle often are unsheltered following release from jail and use crisis services at a higher rate. Further, they are often unable to access the affordable housing aligned with supportive services that could provide them with stability and promote thriving.

1 Million Dollar Hoods: Understanding the Largest Jail System on Earth | Challenge Inequality (ucla.edu)

2 2013 California Department of Corrections and Rehabilitation (CDCR) Outcome Evaluation Report.

17k+

Over 17,000 inmates are held in the Los Angeles County jail on any given night.

20%

It was estimated in 2015 that at least 20% of inmates experience homelessness upon reentry to their communities.

74%

An average of 74% of individuals held in jail with a severe mental illness return to custody within three years.

The Solution

In 2015, partners in Los Angeles came together to develop a program modeled on two existing local initiatives, Los Angeles County's Housing for Health (HFH) and the CSH Just in Reach program, to disrupt the costly homelessness-jail cycle. In July of that year, the Los Angeles County Board of Supervisors approved the County CEO's recommendation to prioritize this initiative as the county's first PFS project.



Shortly after, in September of 2015, ODR was created by the Board of Supervisors and placed within the Los Angeles County Department of Health Services. Its mission is to “develop and implement county-wide criminal justice diversion for persons with mental and/or substance use disorders, to provide reentry support services based on individual’s needs, and to reduce youth involvement with the justice system.”³ ODR began housing individuals as part of these diversion efforts in 2016.

JIR PFS launched in 2017, aligning with and scaling up the existing ODR housing initiatives. Over four years, JIR PFS provided supportive housing to more than 300 of the most vulnerable individuals in Los Angeles County jails with histories of homelessness and justice involvement who often had no choice but to engage with high-cost public systems. JIR PFS set out to provide supportive housing, increase housing stability, and decrease returns to jail for these individuals.



Funding Structure

Pay for Success seeks to achieve positive social and economic outcomes by combining a performance-based contract with upfront funding from impact investors. The impact investors provide the working capital needed to implement an intervention, like supportive housing, and are repaid based on the project’s overall success. Typically, these “success payments” are made by government entities based on the value established in the contract and placed on the observed outcomes.

Ten million dollars in funding for JIR PFS came from upfront capital provided by private investors. The repayment depends on individual participants’ housing stability and jail outcomes. The project also leveraged additional funding from the Department of Housing and Urban Development (HUD)/ Department of Justice (DOJ) Pay for Success Permanent Supportive Housing Demonstration Program (HUD-DOJ), and the California Board of State Community Corrections (BSCC).

JIR PFS was one of the first projects to launch with the HUD-DOJ and California BSCC pay for success grant programs.

³ <https://dhs.lacounty.gov/office-of-diversion-and-reentry/our-services/office-of-diversion-and-reentry/>

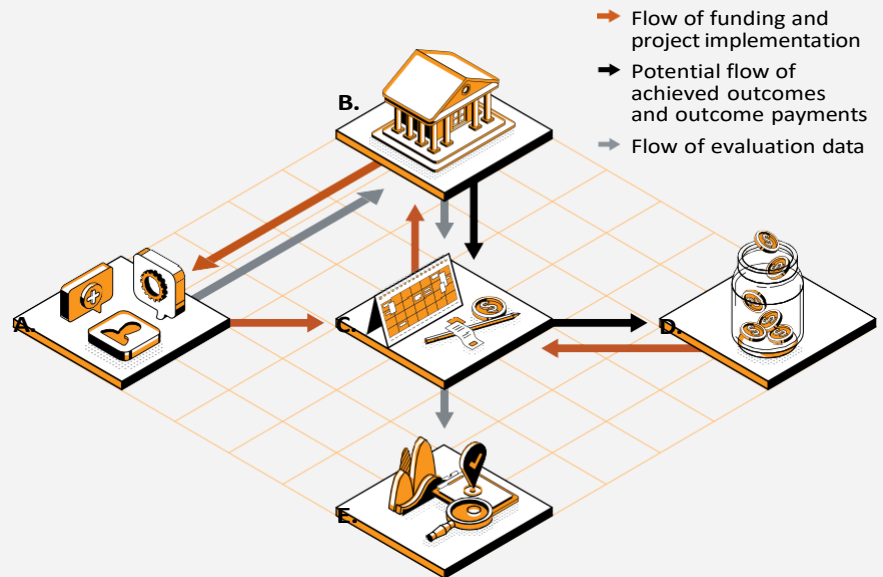
Project Structure

The JIR PFS project structure and partners are outlined in Table 1.

Table 1. Project Partners

Investors	Conrad N. Hilton Foundation (\$3M); United Healthcare (\$7M)
Other Funding Partners	HUD-DOJ; California BSCC
Intermediaries	CSH; Evident Change
End Payer	Los Angeles County
Rental Assistance and Housing Navigation Services Provider	Brilliant Corners
ICMS Providers	Amity Foundation; Special Services for Groups (SSG); Telecare; The People Concern; Volunteers of America
Evaluator	RAND Corporation

Figure 1. JIR PFS Project Structure



A. Service Provider

Intensive Case Management Services (ICMS) Providers

- + Contracted by LA County to serve approximately 300 individuals in supportive housing in JIR PFS
- + The project called for four years of service delivery

Rental Assistance Provider

Brilliant Corners

- + Provided housing navigation services and rental assistance to 300 individuals in supportive housing
- + The project called for four years of service delivery

B. Government

Los Angeles County

- + Agrees to repay investors based on outcomes based on housing stability and qualifying returns to jail
- + Funds intensive case management services (ICMS)

C. Co-Intermediary

CSH & Evident Change

- + Manages funding for rental assistance
- + Monitors and calculates success payments
- + Staffs Executive Steering and Operations Committees

D. Investors

The Hilton Foundation and United Healthcare

- + Provided \$10 million in loan funding

E. Evaluator

RAND

- + Validates success payment outcomes
- + Determines difference between treatment and control groups' service utilization and costs

Source: Adapted from GAO analysis of information provided by project participants. GAO-15-646 and urban.org/research-area/pay-success

Project Participants

Individuals with histories of justice involvement and homelessness were the beneficiaries of this initiative.

More specifically, participants were referred by LA County to JIR PFS if:



1. Location

They were within the Los Angeles County criminal justice system;



2. History of Homelessness

They had experienced homelessness in the previous three years;



3. Vulnerabilities

They rated high on the Vulnerability Index & Service Prioritization Decision Assistance Tool (VI-SPDAT) and;



4. Contributing Health Factors

They were diagnosed with one or more conditions, including: SMI, substance use disorder, developmental disability, post-traumatic stress disorder, cognitive impairment resulting from a brain injury, and/or a chronic physical illness or disability.

Services Delivered

The ODR housing program, which includes the JIR PFS enrollees, supported participants on each step of their journey from jail to supportive and independent housing.

- + Participants were identified as potential candidates for ODR housing while in jail. If they were found to be eligible and agreed to enroll, they were then conditionally released to ODR following a suitability hearing.
- + While still in jail, they connected with an ICMS provider under contract with ODR. They also had a short-term (interim) housing option to have a place to go once they were released.
- + Brilliant Corners provided participants with housing navigation services and administered rental assistance through the Flexible Housing Subsidy Pool to help people identify and choose the most appropriate permanent housing placement.
- + ODR housing participants received ongoing supportive services from their ICMS provider including, but not limited to: enrollment in mainstream services benefits, connection to mental health and substance use treatment services, mentoring and other community support, and ongoing housing stabilization services.⁴
- + Eligible ODR housing participants who entered permanent supportive housing could be “enrolled” in the JIR PFS initiative at the point at which they entered supportive housing.



Each individual in JIR PFS received a custom treatment plan which offered flexible services tailored to meet their needs.

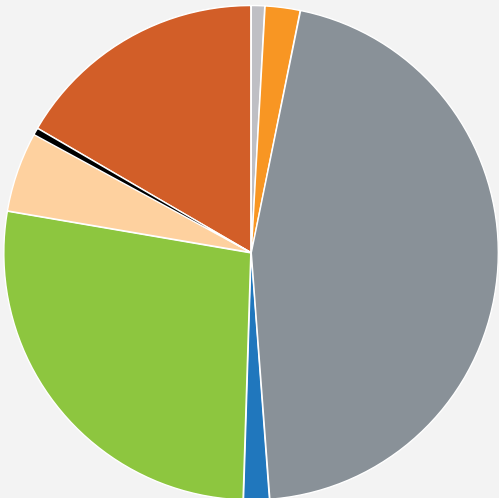
4 https://www.rand.org/pubs/research_reports/RRA1216-1.html

Participant Demographics

At the end of four years, 349 individuals received housing as part of the JIR PFS initiative. Of the 349 individuals housed in the program, the average age was 43, 67% were male ♂, 30% were female ♀, and 3% were transgender ♂♀. In addition, figure 2 describes the race/ethnicity breakdown of the group.

Figure 2: JIR PFS All Participants by Race, N=349

Race/Ethnicity (Group)	Number of Persons	Percentage of Persons
American Indian or Alaska Native	3	0.9%
Asian	8	2.3%
Black or African American	159	45.6%
Don't Know/Refused	6	1.7%
Hispanic/Latino	95	27.2%
Multi-Racial	19	5.4%
Native Hawaiian or Other Pacific Islander	1	0.3%
White, Non-Hispanic/Latino	58	16.6%
	349	100%



This demographic breakdown reflects an overrepresentation of Black people as compared to the population of Los Angeles County as a whole. Overrepresentation of Black people is also seen among the population of persons experiencing homelessness in Los Angeles and those in the Los Angeles County jail in general and within the jail mental health population.^{5,6}

5 <https://www.proquest.com/docview/2412654036?pq-origsite=primo&sourcetype=Blogs,%20Podcasts,%20%20Websites>

Success Payments

PFS initiatives have measures tied to outcomes that determine the potential repayment to investors. These measures help to focus all project partners on concrete and measurable indicators of success.

In the JIR PFS initiative, Los Angeles County made payments based on two key measures: housing stability and qualifying returns to jail. Payments were made based on enrolled individuals achievement of six months and 12 months of housing stability, and on the number of jail returns experienced by enrolled individuals during the two years post-enrollment. Based on the level of success of the project, the project's investors were repaid their \$10 million investment and earned approximately 2.9% in blended interest.

Figure 3. Housing Stability

- + Both positive and negative exits from housing were tracked in the project as part of the overall definition of housing stability. Positive exits included moving to other permanent housing and settings designed to meet particular clinical needs, such as residential care or in-patient substance use treatment services. Participant deaths were also accounted for in this category as a neutral outcome.
- + Negative exits included returns to jail, prison, interim housing or unknown destinations.
- + While the aggregate 12-month housing stability rate was lower than the initial 90% projection, ODR's housing program serves clients who have not previously had the opportunity to be connected to supportive housing. They are also typically not connected to the mainstream homeless services system due to their acute health and/or mental health service needs. Furthermore, the primary source of data initially used to set the housing retention rate was based on Housing for Health clients. In ODR's experience, ODR supportive housing clients have more clinically acute needs than the average Housing for Health client.



92%*

of persons housing through the JIR PFS initiative stayed housed for at least 6 months.

* Original projection, 92%

78%**

stayed housed for at least 12 months. This rate increased over time, with the final cohort at 86%.

* Original projection, 90%

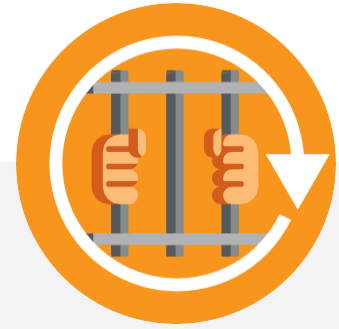


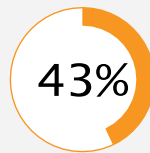
Figure 4. Jail Avoidance (Qualifying Returns to Jail)

Over 2 years ...

JIR PFS projected that over 2 years:

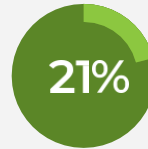
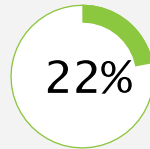
JIR PFS actually found that:

43% of people would
have zero returns to jail



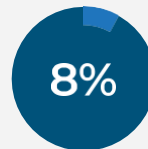
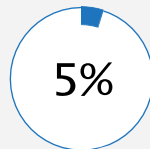
56% of people had
zero returns to jail

22% of people would
have one return to jail



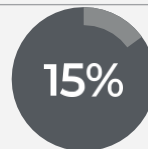
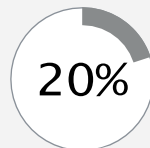
21% of people had
one return to jail

5% of people would
have two returns to jail



8% of people had
two returns to jail

20% of people would have
three or more returns to jail



15% of people had three
or more returns to jail

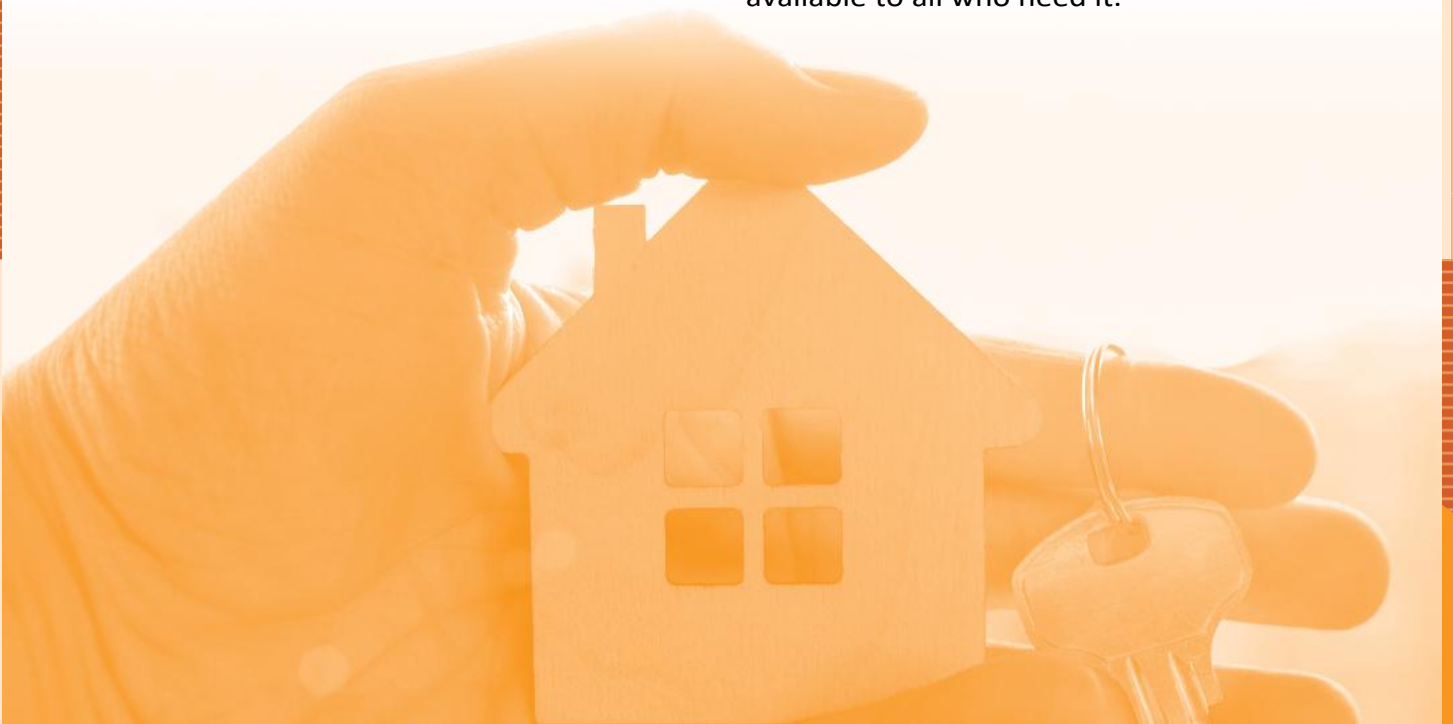
- + The project set baselines based upon data from the past performance of similar individuals. These baseline assumptions were that 65% of participants would have either zero or one returns to jail during the two-year evaluation period. The project beat this baseline level of performance, with 77% of participants having zero or one return to jail during the evaluation period. + This level of performance is noteworthy given that this population was actively involved with the justice system.

Conclusion

The Just in Reach Pay for Success Program successfully helped the vast majority of 349 people experiencing long-term homelessness and high service needs find a stable home and avoid returns to jail.

This initiative adds to the evidence base within Los Angeles and across the country, showing that supportive housing improves outcomes for persons with histories of homelessness, justice involvement, and disabilities. While JIR PFS is a small share of the overall ODR housing program, it should serve as a case study to policymakers of the benefits of supportive housing for this population. In addition, the excellent results should be reason

enough to make supportive housing available to all who need it.





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