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# Scaling Up

How Philanthropy Helped Unlock  
\$4.7 Billion to Tackle Homelessness  
in Los Angeles

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Irene Hirano Inouye  
*Philanthropic Leadership Fund*

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The Center on Philanthropy & Public Policy  
Sol Price School of Public Policy  
University of Southern California

## ABOUT THE CENTER ON PHILANTHROPY & PUBLIC POLICY

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The Center on Philanthropy and Public Policy promotes more effective philanthropy and strengthens the nonprofit sector through research that informs philanthropic decision-making and public policy to advance public problem solving. Using California and the West as a laboratory, The Center conducts research on philanthropy, volunteerism, and the role of the nonprofit sector in America's communities.

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This study is part of a series of cases on bold philanthropic leadership sponsored by The Center's Irene Hirano Inouye Philanthropic Leadership Fund.

An electronic copy of the case can be downloaded on The Center's website at [cPPP.usc.edu](http://cPPP.usc.edu).

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A CASE STUDY OF THE IRENE HIRANO INOUE  
PHILANTHROPIC LEADERSHIP FUND

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JULY 2019



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## IRENE HIRANO INOUE PHILANTHROPIC LEADERSHIP FUND

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### *About the Fund*

The Fund supports research and programs to explore foundation leadership as it seeks to solve society's most pressing problems. It is named in honor of Irene Hirano Inouye for her exemplary leadership and success in building effective foundation boards. Hirano Inouye, president of the U.S.-Japan Council, served as board chair of both the Ford Foundation and The Kresge Foundation. A recipient of bachelor's and master's degrees in public administration from the University of Southern California, Hirano Inouye is the former president and founding CEO of the Japanese American National Museum in Los Angeles and an active member of the American Academy of Arts & Sciences.

By elevating and amplifying the role of philanthropic leadership in strategies for scaling impact, the Fund brings greater attention to the issues of shared governance between boards and executives in foundations, including effective board practices. Case studies and applied research are shared with foundation boards to stimulate conversations about their roles and responsibilities, enabling them to provide bold leadership in addressing critical public problems.

The Fund is made possible through the support of The California Endowment, Ford Foundation, Conrad N. Hilton Foundation, Irene Hirano Inouye, Kresge Foundation, Leonetti/O'Connell Family Foundation, The David and Lucile Packard Foundation, and Weingart Foundation.

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## PREFACE

Bold philanthropic leadership is critical to addressing community problems. Yet, foundations can only chart such a course if there is shared governance between foundation boards and their executives. This case examines how philanthropic leaders helped develop a field of action that led to scaling significant resources to address homelessness in Los Angeles through the passage of two ballot measures: Proposition HHH, passed by City voters in November 2016, aims to significantly increase the stock of permanent supportive housing; and Measure H, passed by County voters in March 2017, provides an estimated \$350 million annually over ten years for services linked to homelessness and homelessness prevention. Cumulatively, the two measures will inject \$4.7 billion over a decade for the community to grapple with this complex and enduring challenge. It is underwritten by the Irene Hirano Inouye Philanthropic Leadership Fund.



## EXECUTIVE SUMMARY

In a span of just four months, Los Angeles voters approved two historic ballot measures injecting \$4.7 billion over ten years to stem the rising tide of homelessness. Proposition HHH, passed in November 2016, authorizes a \$1.2 billion bond to develop 10,000 permanent supportive housing units in the City of Los Angeles. Measure H, passed in March of 2017, provides for a quarter cent sales tax increase in Los Angeles County, raising an estimated \$3.5 billion over a ten-year period for supportive services, rental subsidies and prevention programs for people experiencing homelessness. Getting the two measures on the ballot and passed was not a linear process – setbacks followed advances – but a committed group of civic leaders from inside and outside of government helped to ensure gradual progress, and ultimately, the scaling up of significant resources with the potential to help end homeless in Los Angeles.

Philanthropy was a critical part of the equation, helping to strengthen the field of homeless service providers and advocacy organizations, mobilizing coalitions across sectors to better coordinate efforts, and advocating for more dedicated public and private resources that could address the problem. Early on, foundations undertook efforts like the Skid Row Homeless Healthcare Initiative, started in 2003, which encouraged and supported the development of more holistic models to address homelessness. With the introduction of the Corporation for Supportive Housing (CSH) and other organizations, foundations helped to build the capacity of service providers and developers alike, particularly around permanent supportive housing and services for the chronically homeless.

Yet disappointments soon followed beginning in 2006 with the failure of Bring Los Angeles Home, an ambitious but underfunded and widely panned plan to address homelessness, as well as a bond measure

that City voters rejected to increase the availability of affordable housing and the reluctance of the County to fulfill some of its promises around homelessness. These events underscored the need to better coordinate, and, in some instances, consolidate various efforts and build a broader community of support for solutions to address homelessness. The establishment of Home For Good (HFG) in 2010, spearheaded by a task force of the United Way of Greater Los Angeles and the Los Angeles Area Chamber of Commerce, brought together government agencies, philanthropy and service providers with a focus on chronic and veteran homelessness. Committed cross-sector leaders met regularly and intentionally – building trust, learning from one another and taking on joint projects. This led to the creation of the HFG Funders Collaborative, which set a common table for private funders of various sizes and types to sit with government agencies as well as other cities in the County and provided an opportunity for stakeholders to better align public and private dollars.

Home For Good worked to assist those who were homeless or at risk of becoming homeless by trying to better coordinate the different systems of care – housing, mental health, physical health, employment, and criminal justice. Government agencies, philanthropy, and nonprofit providers shared system change strategies with one another and found ways to couple the more flexible resources of philanthropy with the more substantial resources of government. This led to important innovations such as the Coordinated Entry System, a new way to prioritize homeless persons with the most urgent needs and get them housed quickly that was eventually scaled across Los Angeles County. In addition to the improvements in the system, the relationships built within HFG allowed those on the frontlines of change to weather the ups-and-downs of tackling homelessness in the region.

Despite the successes of Home For Good, homelessness in Los Angeles continued to rise. From the mounting crisis, emerged an opportunity for bold action through the alliances that had formed as a result of HFG and years of field-building. Realizing that an infusion of significant resources was needed and responding to residents demand for action, leaders from all quarters worked to place the two measures on the ballot and win their approval. Two sophisticated and comprehensive campaigns quickly formed to educate voters about the measures and to get out the vote. Voters passed Proposition HHH in November 2016 and Measure H just a few months later in March 2017.

Over a period of more than 15 years, philanthropic leaders have been doggedly persistent. They have built trusting relationships with each other, with nonprofit services providers, with housing developers and with public officials and agency staff. They have cultivated a body of knowledge that demonstrates how the region can best tackle chronic homelessness and improve the effectiveness of permanent supportive housing. They have been nimble in their approach, piloting new strategies to better coordinate systems of care and delivery of services to persons experiencing homelessness and then handing them off to government, leveraging the unique capacities and expertise of different foundations to take on different leadership roles.

The passage of the two ballot measures punctuates an important chapter in the effort to end homelessness in Los Angeles. It represents years of hard work to build a field with the requisite infrastructure to take bold action, orchestrate key leaders from multiple sectors to step up at pivotal moments, and engage government to bring solutions to scale. This capacity is important as the region tries to face down new challenges implementing the two ballot measures.





Star Apartments - Skid Row Housing Trust - provide permanent supportive housing to 100 formerly homeless individuals using modular pre-fabricated units.

# Scaling Up



Throughout the country communities are grappling with how to end homelessness. The dynamic nature of homelessness have led many to characterize it as a wicked problem.<sup>1</sup> One person may end up homeless because of a missed paycheck while another might be fleeing domestic violence. Some will have had numerous interactions with public and nonprofit service providers while others have fallen through the social safety net entirely. Many will be homeless for a short period while others will experience homelessness for years. Moreover, while many ultimately find housing, others will slip in and out of homelessness.

The challenge in Los Angeles is compounded by its sheer size. In 2017, there were 57,794 homeless persons in Los Angeles County – nearly one-in-ten of all homeless persons in the United States.<sup>2</sup> Of those, more than 42,000 homeless Angelenos were unsheltered – living in cars, campers, tents and lean-tos – more than in any county in the U.S. Almost a third were chronically homeless.<sup>3</sup> Many of the region’s homeless have a serious mental illness, substance abuse disorder and/or physical disability.<sup>4</sup> Rising rents, stagnant wage growth and a severe shortage of affordable housing compounds the problem, resulting in more and more Angelenos becoming homeless each week. In addition, there is the governance challenge of getting the City, which has a prominent role in developing housing, and the County, which is charged with providing services to the homeless, to work together.

While the problem is substantial, it is not a recent phenomenon. Homelessness has persisted in Los Angeles for decades, propelling the community to build a field – ideas, individuals and institutions – capable of helping to address the issue. As the homelessness crisis mounted, the region came together in important ways to scale up solutions to tackle the problem. This case tells the story of how these efforts have enabled Los Angeles to unlock nearly \$5 billion over the next decade in dedicated resources to help end homelessness. The narrative places a focus on the catalytic role that philanthropy played to build the field, including the development of formal and informal pathways for collaborative leadership on the issue, while recognizing that many others – nonprofits and other service providers, local governments and businesses – contributed greatly to the effort.

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<sup>1</sup> "Wicked problems" are those that are difficult or impossible to solve because of incomplete, contradictory, and changing requirements that are often difficult to recognize or are resistant to resolution.

<sup>2</sup> Numbers derived from the 2017 point-in-time estimates, which quantify the number of sheltered and unsheltered homeless persons on a single night of the year. Los Angeles Homeless Services Authority (2018). *2017 Greater Los Angeles Homeless Count Results*. [PowerPoint]. National comparison is from the US Department of Housing and Urban Development (2017). *The 2017 Annual Homeless Assessment Report (AHAR) to Congress*.

<sup>3</sup> HUD defines a chronically homeless individual as an unaccompanied homeless person with a disabling condition such as a substance abuse disorder, mental illness or disability, who has been continuously homeless for a year or more or who has had four homeless episodes in the last three years.

<sup>4</sup> In 2017, 31 percent of those in the point-in-time homeless count had a serious mental illness, 18 percent had a substance use disorder and 18 percent had a physical disability. These numbers are not mutually exclusive since homeless individuals often confront more than one challenge.

The case briefly describes past efforts including some failures that underscore the challenge and importance of aligning the efforts of local government, philanthropy, business and community partners. The second section recounts the work over the past decade to create a broader and more cohesive coalition of actors through the creation of Home For Good (HFG), an initiative that helped to bring leaders from across the sectors together to deliver services, align systems and better engage the community. The case then turns to the homelessness crisis that emerged in 2015, and how it created the conditions necessary to mobilize the region and help secure large-scale, long-term funding to end chronic homelessness through two ballot initiatives: Proposition HHH, passed in November 2016, which authorized a \$1.2 billion bond to develop 10,000 permanent supportive housing units in the City of Los Angeles; and, Measure H, passed in March of 2017, which raises an estimated \$3.5 billion over a ten-year period for supportive services, rental subsidies and prevention programs for people at risk of or experiencing homelessness throughout Los Angeles County. The case concludes with a discussion of lessons for philanthropy in what it takes to address seemingly complex, intractable problems like homelessness.

## Building the Field

Philanthropy in Los Angeles has worked to end homelessness for more than a decade, making advances, facing setbacks, but determined to move ahead and learn. In the process, a more cogent field was built around homelessness in the region, involving homeless providers and advocates, local governments, and businesses. This field building was advanced in the early years by numerous efforts in which philanthropy played a critical role, including the Skid Row Homeless Healthcare Initiative and the development of a local permanent supportive housing industry that could help validate investment in proven models for tackling the issue. However, the failure of two prominent efforts to address homelessness – Bring Los Angeles Home and a 2006 ballot initiative focused on affordable housing – underscored the need to build a broader coalition to improve and align public and nonprofit systems and eventually allow the region to come together to take collective action.

### SKID ROW HOMELESS HEALTHCARE INITIATIVE

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“Skid Row,” a portion of downtown Los Angeles just east of the Financial District and the Historic Downtown Center, contains one of the largest concentrations of homeless persons in the country. Federal programs in the 1980s and 1990s had expanded the inventory of emergency shelters, many in Skid Row, but there was little concurrent investment in drug and alcohol treatment programs, healthcare, job training or community development. And, where those programs and systems of care did exist, they were frequently siloed and uncoordinated. To begin addressing these circumstances, the Weingart Foundation collaborated with ten other foundations to launch the Skid Row Homeless Healthcare Initiative (2003), providing homeless persons with more integrated healthcare and comprehensive social services in a single setting.

Over time, the initiative developed new programs and expanded existing ones in primary care, specialty care, case management, mental health and dental services. The partnership ultimately included 19 agencies representing primary care clinics, hospitals and medical centers, teaching institutions, specialty care providers, screening and treatment programs, government agencies and community-based organizations. It also led to several pilot programs including expedited specialty care referrals and outreach to the chronically homeless. Many of these advancements were formed as partnerships with the Los Angeles County Department of Health Services that allowed experimentation with better coordinated care for persons experiencing homelessness. This multi-agency, multi-disciplinary approach served as an early model for how philanthropy, government and nonprofits could work together.

## PERMANENT SUPPORTIVE HOUSING

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At the same time that the Skid Row Homeless Health-care Initiative was unfolding, a more holistic approach had emerged nationally for solving chronic homelessness. Predicated on evidence that those experiencing homelessness were much more likely to remain housed when coupled with wraparound supportive services – this approach came to be known as permanent supportive housing (PSH).<sup>5</sup> This framework embraced the “housing first” model, which suggests homeless persons should not be subjected to preconditions like sobriety before being placed in permanent housing.

While a permanent supportive housing industry had already developed in New York and elsewhere, there were far fewer providers and no clear mechanism to support their development in Los Angeles in the early 2000s. The Conrad N. Hilton Foundation (Hilton Foundation), which has long focused on reducing homelessness, became interested in building up permanent supportive housing in Los Angeles. In 2004, the Hilton Foundation, in collaboration with the Robert Wood Johnson Foundation, provided a grant to encourage and enable the Corporation for Supportive Housing (CSH) to expand its operation to six cities, including Los Angeles. CSH is a nonprofit intermediary that trains and educates nonprofits in how to best provide permanent supportive housing and helps to identify capital and loans to fund them. Soon after, the Hilton Foundation, alongside nonprofit partners like CSH, launched an initiative in Los Angeles focused on finding housing for persons with mental illness. The foundation and its nonprofit partners conducted pre-development work on various permanent supportive housing projects, and tried to build the capacity of supportive housing providers in the region. Over the

next ten years, the Hilton Foundation would continue to develop, refine and improve the capacity of City and County agencies as well as nonprofit developers and providers, working with public officials and other key stakeholders to stimulate and expand the number of permanent supportive housing units in Los Angeles.

## DISAPPOINTMENTS IN TAKING ACTION

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While efforts to build the field were taking hold, some public officials were pressing for action. In 2006, the newly elected mayor, Antonio Villaraigosa, County Supervisors and other prominent government officials released a plan to end homelessness in ten years through an effort called Bring Los Angeles Home. The planning effort had begun in 2003 and was being spearheaded by the Los Angeles Homeless Services Authority (LAHSA), which was created to better coordinate the efforts of the City and County.<sup>6</sup> Soon after, the Los Angeles Board of Supervisors committed \$100 million to improve County services for those experiencing homelessness while the City was at work to secure a \$1 billion bond measure that would increase the stock of affordable housing in the region.

Almost immediately Bring Los Angeles Home was panned by critics as “fractured” and a “wish list” that was neither economically nor politically feasible. A little more than a year later, the County shelved opening a series of regional homeless shelters, one of the plan’s hallmarks<sup>7</sup> after County Supervisors were besieged by constituents who feared building shelters in their community would draw in more homeless persons. At the same time, voters failed to approve the City’s ballot measure for affordable housing.

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<sup>5</sup> For example, one PSH program that targeted individuals experiencing homelessness and serious mental illness demonstrated a 95 percent reduction of post-intervention public service costs among those who were housed. Culhane, D.P., Metraux, S. and Hadley, T. (2002). “Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing,” *Housing Policy Debate*, Vol. 13, No. 1, pp. 107–163.

<sup>6</sup> From 1987 to 1993, the City and County of Los Angeles were involved in acrimonious litigation over the responsibility to care for the homeless. Ultimately, the federal government warned that federal monies might not be forthcoming should they not be able to resolve the conflict. The conflict was resolved through a joint powers authority (JPA) agreement, which created the Los Angeles Homeless Services Authority (LAHSA) in 1993.

<sup>7</sup> The shelters were to have 40 short-term beds and be staffed by County social services and mental health workers with the idea that they would help to transition homeless persons to more permanent housing. Rosenblatt, S. (2007, October 7). “County’s homeless plan hits skids,” *Los Angeles Times*.

For many outside of government who were involved in these efforts, the failures underscored the challenge of getting Los Angeles City Council Members and County Supervisors representing different constituencies to galvanize around a single issue, particularly one as difficult as homelessness. At the time that Bring LA Home and the 2006 affordable housing ballot initiative were proposed, for example, many Angelenos viewed homelessness as a problem relegated largely to Skid Row and other parts of downtown and South Los Angeles. For them, homelessness was not yet a regional issue.

It also pointed to the particular structural difficulties of getting alignment around homelessness in Los Angeles. Whereas the City plays the critical role in developing the supply of housing, the County bears the responsibility for providing services for the homeless or those on the brink of homelessness from mental health to public health to addiction treatment. Thus, collaboration across the City and County was critical. Yet, LAHSA, which was created to administer federal, state and local funding for the express purpose of coordination between the City and County, did not have any direct control or authority of City or County departments; nor did it have the political capital to sway elected officials to act more collaboratively.

As the City and County pointed fingers at one another about the lack of progress, the CEOs of the Hilton Foundation, The California Endowment and Weingart Foundation resolved to meet with top elected government leaders with one goal in mind: encouraging a more productive and collaborative relationship between the City and County on homelessness. Philanthropy tried to place pressure at the highest levels of local government to work together, but it wasn't enough to catalyze the necessary changes. A broader coalition was needed – one that went beyond philanthropy and involved nonprofits, business, and the local community – that could encourage and cajole action across governments in the region.



HomeWalk, an annual fundraising and mobilization event organized by the United Way, brings thousands of community members out to support solutions for persons experiencing homelessness.

## Forging a Broad Coalition

By the time that Bring Los Angeles Home and Mayor Villaraigosa's affordable housing ballot initiative had failed, philanthropy in Los Angeles was quickly maturing. New affinity groups were starting to form that allowed philanthropic leaders to learn from one another and better orchestrate their efforts. One vehicle that had emerged around the issue of homelessness regionally was the Los Angeles Homeless Funders Group, which started informally in 2007 to spur ideas among foundation executives and staff with a focus on solutions around chronic homelessness.<sup>8</sup> Yet, there was not an obvious mechanism for philanthropy to work on the issue across sectors in any formalized way. Around the same time the Los Angeles Homeless Funders Group formed, the United Way of Greater Los Angeles (United Way) – led by Elise Buik – had adopted a strategy-focused approach for building pathways out of poverty and saw the need to get the business community more involved. With the support of the Hilton Foundation, the United Way spearheaded the development of the Business Leaders Task Force in partnership with the Los Angeles Chamber of Commerce (the Chamber), paving the way for Home For Good, a critical platform for improving homeless services and systems in the region.

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<sup>8</sup> The group became more formalized in 2010 as a chapter of Funders Together to End Homelessness, a national peer exchange started by seven foundations, which today is comprised of 30 organizations – a mixture of private foundations, businesses and public charities variously focused on issues of health, housing and human services. They meet quarterly to discuss how funders can best serve the needs of homeless populations in Los Angeles. While they do not pool funds or require a financial commitment, they act as a sounding board for each other around grantmaking opportunities and challenges, and provide a connection point to national best practices and trends.

## BUSINESS LEADERS TASK FORCE

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The United Way had long established relationships with Los Angeles business leaders through its legacy of workplace giving and saw the need to engage them both because of their leadership in the community and their influence among elected officials. But support from business, which had predominately viewed homelessness as a public safety and sanitation issue and had not endorsed Villaraigosa's 2006 ballot proposition, was not a foregone conclusion.

With the support of the Hilton Foundation, the United Way began courting the Chamber in part by branding a report the United Way spearheaded that found it cost taxpayers \$20,000 more per person for someone to live on the streets of Los Angeles than to provide them with permanent supportive housing due to the high cost of emergency room visits, policing and arrests.<sup>9</sup> The Economic Roundtable, a nonprofit policy research organization, released a study with similar results.<sup>10</sup> Funded in part by philanthropy, both reports received significant media attention and were convincing documents, particularly to members of the business community.

The United Way and the Chamber soon formed the Business Leaders Task Force, comprised of 11 members of the United Way and 11 members of the Chamber, with the aim of better aligning existing City and County resources and attracting more federal dollars to the region for solutions to homelessness. As a result of the 2008 recession, state and local coffers were squeezed, but federal dollars that could be a lifeline for the region had recently become available for programs focused on veterans experiencing homelessness and the chronically homeless.<sup>11</sup> Unfortunately, Los Angeles had developed a less than stellar

reputation in Washington, D.C. and was seen by leaders at the U.S. Department of Housing and Urban Development (HUD) as disjointed in its efforts to end homelessness and a poor investment option.

The Business Leaders Task Force group, led by United Way's Christine Margiotta, arranged a visit to Washington, D.C., where they met with federal lawmakers, promising to push the City and County toward a more unified and targeted approach on chronic homelessness and homeless veterans. The group proceeded to visit cities across the country, including New York, Denver and Seattle, to explore effective models and practices in action. In each case, those models had invariably prioritized permanent supportive housing for the chronically homeless, further validating what philanthropy and others had been saying for years. With the strong support of the Hilton Foundation, the United Way and the Chamber launched Home For Good (HFG) – an initiative to end chronic and veteran homelessness in Los Angeles County by 2016.

## HOME FOR GOOD

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Home For Good developed a blueprint and action plan, which it released in December 2010, suggesting that a focus on permanent housing solutions for high-needs populations would free up existing resources for emergency shelters, crisis intervention and other critical services.<sup>12</sup> For housing developers and homeless service providers, securing adequate funding for housing and wraparound services is notoriously complex. It requires not only significant upfront capital costs for developers, but also sustained and dedicated funding for case management, substance use treatment programs and related services. To address this, in October 2011, Elise Buik and Steven M. Hilton,

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<sup>9</sup> United Way of Greater Los Angeles (2009). *Homeless Cost Study*.

<sup>10</sup> Economic Roundtable (2009). *Where We Sleep: The Costs of Housing and Homelessness in Los Angeles*.

<sup>11</sup> In May 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which amended and reauthorized the McKinney-Vento Homeless Assistance Act, the primary law providing federal money for addressing homelessness. Among other things, the HEARTH Act changed HUD's definition of homelessness and chronic homelessness, increased prevention resources and mandated that local communities improve both their tracking of homeless persons and their performance outcomes. Around the same time, the White House and the US Department of Veterans Affairs (VA) committed to ending Veteran homelessness by the end of 2015, allocating additional resources.

<sup>12</sup> United Way of Greater Los Angeles and Los Angeles Area Chamber of Commerce. (2010). *Home For Good: The Action Plan to End Chronic and Veteran Homelessness by 2016*.

then President of the Hilton Foundation, presented the idea of a funders collaborative as part of Home For Good to 24 public and private funders in the region. The group would create a single funding application process for applicants, align funding priorities and make funding decisions collaboratively.

## THE FUNDERS COLLABORATIVE

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The Hilton Foundation seeded the effort with a \$1 million challenge grant that United Way managed, requiring a \$4 million match from philanthropic funders in the first year and a \$35 million commitment from the public sector. The funders accepted the challenge. In the first year, \$5 million in private donations led to \$100 million in public dollars. Most of the funds from philanthropy were allocated through a competitive grantmaking process, attracting scores of housing and service providers as well as those specializing in counseling, treatment and other social services. Philanthropic dollars were used to fund innovations in service delivery that, if successful, the public sector could scale. Meanwhile, the bulk of the public funds were provided as rent subsidies for vulnerable persons with other funds invested in the development of new and retrofitted permanent housing units.<sup>13</sup>

In each successive year since its launch, HFG raised or aligned more funds, which resulted in more placements for chronically homeless and homeless veterans. From 2012 to 2016, the Funders Collaborative raised \$34 million in private donations while securing \$700 million from government, mostly for permanent supportive housing.

Philanthropic resources were small compared to government funding, but they provided needed flexibility for more innovative programs as well as technical assistance and overhead support for providers. One of the more ambitious projects funded was the Coordinated Entry System (CES), an initiative designed to prioritize the placement of persons in greatest need of housing and match each individual experiencing homelessness with the most appropriate housing given their unique circumstances. In

2013, the private funders in the collaborative funded the pilot implementation of CES in Skid Row, and subsequently provided nearly \$3.5 million to support implementation in other parts of the County. The public sector took over responsibility of operating the system in 2016 as the Funders Collaborative began to focus on regional coordination and equitable access to funding for providers and others through the new countywide system.

## AN EXPANDED BASE OF SUPPORT

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Home For Good greatly expanded the base of support for permanent supportive housing and built stronger relationships between the City and the County as well as other city governments in the region, with private funders, housing developers and nonprofit providers. By April 2012, HFG had gathered endorsements from 111 public and private organizations, including the City and County of Los Angeles, and 26 elected officials from other cities. By signing onto Home For Good, they were encouraging partners across the Los Angeles region to better integrate homeless housing and service delivery systems.

By 2016, the Funders Collaborative consisted of 57 funders: 30 private and 27 government-related. The 30 private funders included a variety of foundations and corporations and a number of public grantmaking charities, ranging in their overall giving from \$2 million to \$180 million. Fourteen of the organizations also participated in Funders Together to End Homelessness. (See Figure 1: Home For Good Funders Collaborative). The 27 public funders also ranged in size and scope and included a number of agencies inside the City of Los Angeles and Los Angeles County, the Los Angeles Homeless Services Authority and 11 additional cities from across the County. The HFG platform became a critical venue for public funders from across the region to build relationships, share ideas and take action, all of which would prove instrumental as the homelessness crisis continued to mount.

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<sup>13</sup> Zavis, A. (2012, August 15). "LA County to focus funds on chronically homeless," *Los Angeles Times*.

## FIGURE 1. HOME FOR GOOD FUNDERS COLLABORATIVE

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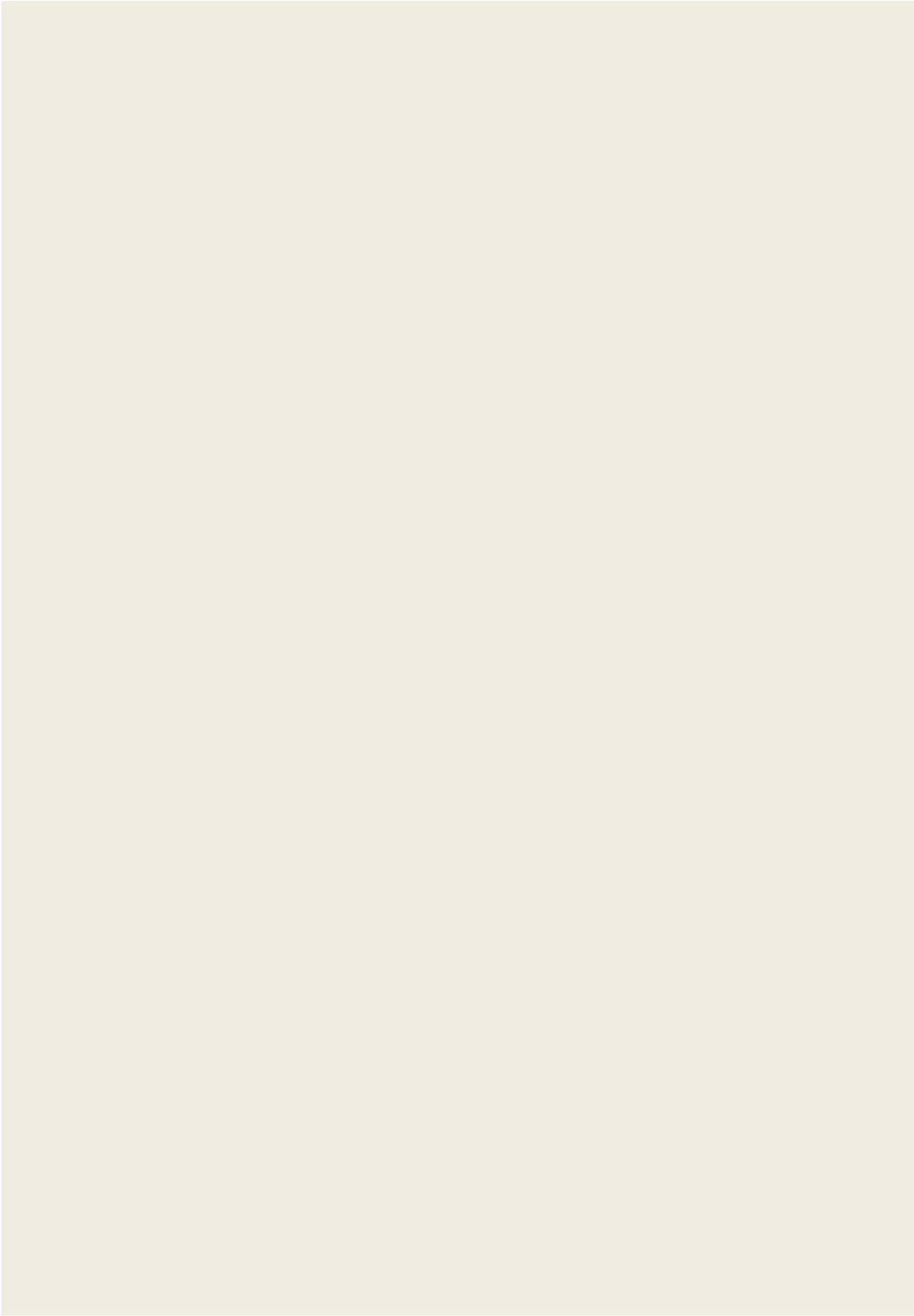
### PRIVATE FUNDERS

Aileen Getty Foundation*	JP Morgan Chase & Co.*
Annenberg Foundation*	Jewish Community Foundation of LA*
Anthony & Jeanne Pritzker Family Foundation	Kaiser Permanente*
California Apartment Association	Mayor's Fund for Los Angeles
California Community Foundation*	Pacific Western Bank
The California Endowment*	Penta Group
The Carl and Roberta Deutsch Foundation*	Real Change Movement
Cedars-Sinai*	The Reissa Foundation
City National Bank	Snak King Corporation
Conrad N. Hilton Foundation*	Susan & Eric Smidt/Harbor Freight Tools Foundation
Corporation for Supportive Housing (CSH)*	UniHealth Foundation*
Downtown Business Association	United Way of Greater Los Angeles*
Enterprise Community Partners	Wells Fargo Foundation
Goldman Sachs	W.M. Keck Foundation
	Weingart Foundation*

### PUBLIC FUNDERS

City of Bellflower	Housing Authority County of Los Angeles
City of Burbank	LA City Council, CD 14
City of Carson	LA County Board of Supervisors, SD 2
City of Culver City	LA County Board of Supervisors, SD 3
City of Los Angeles	LA County Board of Supervisors, SD 4
City of Lynwood	LA County Department of Health Services
City of Norwalk	LA County Department of Mental Health
City of Pasadena	LA County Department of Public Health
City of Pomona	LA Homeless Services Authority
City of Redondo Beach	LA City Housing and Community Investment Department
City of Santa Monica	US Department of Housing and Urban Development
City of West Hollywood	VA Greater Los Angeles Healthcare System
Corporation for National & Community Service	
County of Los Angeles	
Housing Authority City of Los Angeles	

\*Signifies organizations that are also members of Funders Together to End Homelessness, Los Angeles (as of October 2018).





Los Angeles County Supervisor Mark Ridley Thomas, Los Angeles Mayor Eric Garcetti and other civic leaders celebrate passage of Measure H in March 2017.

## From Crisis to Opportunity

Despite the success of Home For Good in spurring innovations, helping to pool and align resources, and getting the sectors to work together, by spring of 2015 it was clear that the region was falling further behind. There simply were not enough new or existing units available to place all those in need of permanent or transitional housing. Even with a Section 8 housing voucher in hand, Angelenos could not find a place to live for six to eight months and often longer.

Miguel Santana, the Chief Administrative Officer for the City of Los Angeles, who had been working closely with HFG, was trying to spur additional action from the City. In April 2015, his office released a less-than-flattering report that found the City was spending \$100 million a year just trying to cope with homelessness. Much of that money was going towards arrests, Skid Row patrols and other enforcement and sanitation related issues. Moreover, city librarians, parks and recreation employees, paramedics and other city service workers were taking their own ad hoc approaches to dealing with homeless persons in their various daily encounters.<sup>14</sup>

Barely a month later, LAHSA CEO Peter Lynn, who had built relationships across sectors through previous positions, pulled together a small group of key leaders from HFG to share the disappointing results of the 2015 point-in-time homeless count that LAHSA coordinates each year. It showed a 16% annual increase in homelessness in Los Angeles County from the year prior. Moreover, the report indicated that homeless encampments and car camping had grown a whopping 85% countywide. (See Figure 2. Changes in Homeless Population, Los Angeles County, 2010-2017). The disheartening numbers in the report spurred a collaborative spirit and a renewed urgency among leaders in the room.

Sachi Hamai, CEO for the County of Los Angeles, and Miguel Santana were both passionate about the issue and had established a strong bond over the years when they both worked at the County.<sup>15</sup> Hamai immediately went to the Los Angeles Board of Supervisors with the homeless count results and asked that the County work more closely with the City on homelessness and to help identify additional resources for County-related homeless services. Santana did the same at the City using the new numbers and his own office's report. Starting with Mayor Eric Garcetti and then lobbying various council members, he eventually helped to form an Ad Hoc Committee on Homelessness on the City Council to take further action.

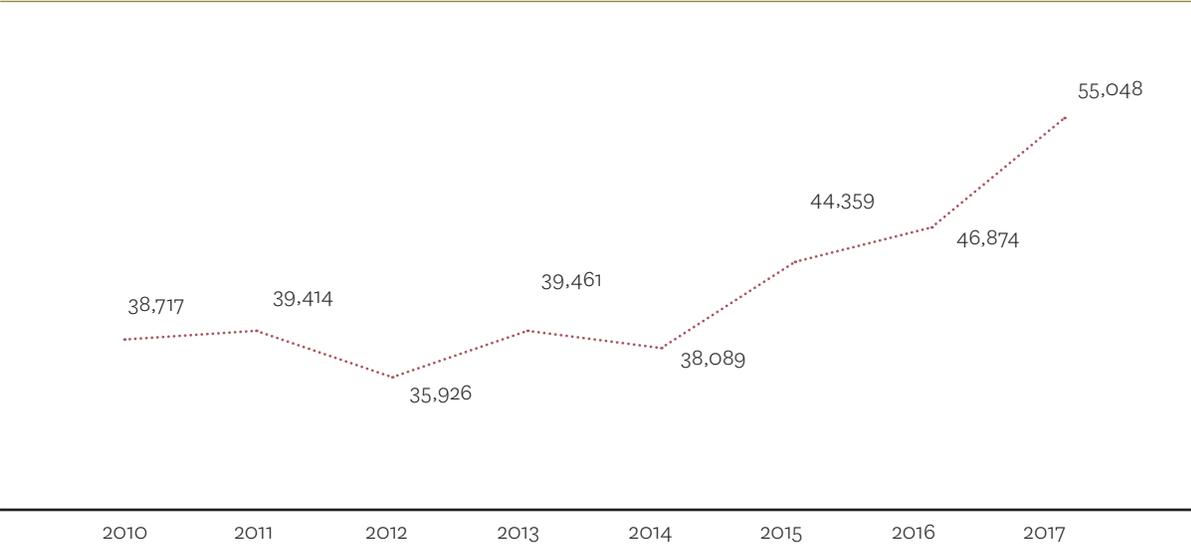
The challenges facing the region with respect to homelessness were not singular. There were too few units to house those in greatest need and there were insufficient resources dedicated to provide supportive services to the homeless or preventive services to those on the cusp of homelessness. As the crisis intensified, elected officials were getting hammered in the media for not doing enough, including a string of stories in the *Los Angeles Times* about the rise of homeless encampments, the perceived incompetency of the City and County, and the plight of those on the streets. Homelessness had also become more visible across the region, extending far beyond Skid Row and South Los Angeles to wealthier areas, such as the San Fernando Valley and West Los Angeles.

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<sup>14</sup> Santana, M. (2015, April 6). *Homelessness and the City of Los Angeles*. [Memorandum]. City of Los Angeles.

<sup>15</sup> Santana had previously served as one of five Deputy Chief Executive Officers for Los Angeles County, providing oversight to all of the County's social service departments including the Departments of Children and Family Services, Public Social Services, Child Support, Military and Veterans Affairs and the Human Relations Commission. Hamai had been with the County, in various capacities, for decades.

**FIGURE 2. CHANGES IN THE HOMELESS POPULATION:  
LOS ANGELES COUNTY, 2010-2017**



Source: Los Angeles Housing Services Authority (LAHSA) Point-in-Time Homeless Counts, various years.

All these factors raised public consciousness that something needed to be done at a regional level to address the issue.

By June of 2015, the Mayor and the City Council filed a motion declaring a homelessness crisis in Los Angeles, and pledged to spend \$100 million to aid those living in shelters or on the streets. However, it was unclear where the money would come from or how it would be spent.<sup>16</sup> A group of funders – including the California Community Foundation (CCF), which had long focused on the issue of affordable housing, the Weingart Foundation and the Hilton Foundation, nudged the City by offering \$16 million for grants and loans if the City promised to streamline the permitting process for new permanent supportive housing from two-and-half years to one. This had been a significant barrier to developers trying to get new units into the housing pipeline. In order to meet demand, the City had to increase the number of permanent supportive housing units each year more than threefold, from 300 to 1,000 units. The City agreed to make the regulatory

changes proposed by the foundations, but it would have to find the remaining \$84 million on its own. A month later, Los Angeles County chose to increase funds for permanent supportive housing through its Affordable Housing Fund from \$20 million in 2015-2016 to \$100 million by 2020-2021.

The Friday after Thanksgiving in 2015, Santana and Lynn, along with Phil Ansell, who leads the Los Angeles County’s Homeless Initiative, Christine Margiotta, who led Home For Good for United Way, and Greg Spiegel, the Mayor’s Homelessness Policy Director, spent the day outlining how the City and County could work together and what their plans to address the crisis might entail.

Around the same time, the County had begun holding a series of policy summits, 18 in all, covering nine topics related to the homelessness challenge. The effort brought together more than 400 stakeholders from government, nonprofits, philanthropy, business and the broader community. Among those participating

<sup>16</sup> Ford, D. (2015, September 23). “Los Angeles declares state of emergency,” *CNN.com*.

were leaders from the City of Los Angeles, who were able to draw data and insights as the City developed its own plan.

Both the City and County were hashing out their own comprehensive action plans, but Lynn, Ansell, Margiotta, Spiegel and others knew that each plan would need to be closely coordinated both in content as well as in how they were communicated. Formal alignment could happen via Home For Good, but the group also knew that informal discussions would help to establish a shared agenda between HFG meetings. They decided to meet as often as they could, sometimes on weekends, to coordinate strategy, including how to get and maintain support within their respective institutions.

On February 9, 2016, Los Angeles County and the City of Los Angeles simultaneously adopted their respective plans to combat homelessness. The City's plan contained 64 strategies designed to prevent homelessness, subsidize housing, provide case management services, create a more coordinated system and increase affordable housing.<sup>17</sup> The 47 initiatives in the Los Angeles County-approved plan focused on homelessness prevention, centralized case management, increased housing and a wide range of supportive services.<sup>18</sup>

The crisis highlighted by the 2015 homeless count catalyzed a number of substantial improvements to the systems of care for the homeless as well as greater alignment between the City and the County. Yet, implementing the plans required more resources than were available. To scale the solutions that the plans envisioned, new dedicated resources would be needed. While HFG had many successes, only government could generate funds of such magnitude. Leaders from City and County government, philanthropy and nonprofits soon got to work.

## GENERATING NEEDED PUBLIC FUNDS

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City and County officials, along with the Corporation for Supportive Housing (CSH), LAHSA, United Way and others, considered a variety of different fees and taxes to raise additional revenues. Polling of voters in the region indicated that a bond measure was the most popular option, but would require approval by 66% of the electorate, which was a high hurdle to jump for either the County or the City.<sup>19</sup>

The Corporation for Supportive Housing estimated the City would need about \$1.5 billion to create enough permanent units over the next decade to address the housing gap for the region's chronically homeless population, which had by then become the focal point for action. Having failed to get the 2006 affordable housing bond passed, the City was cautious. City leaders pushed for a bond of no more than \$1 billion, but eventually agreed on \$1.2 billion in the form of Proposition HHH – The Homelessness Education and Prevention, Housing and Facilities Bond. The Proposition was set to be voted on in the November 2016 elections, a presidential election year with high expected voter turnout. If the measure achieved a two-thirds majority vote, the City would be able to finance 8,000-10,000 units; without it, the City estimated it would only be able to finance 3,000.

LAHSA estimated that it would need approximately \$450 million each year to provide adequate housing and supportive services. With the City already set to pursue a bond measure, the County considered other possibilities: a parcel tax, an income tax on millionaires, a general sales tax, and a tax on marijuana. Polling suggested that the income tax on millionaires was among the most popular options, but it would require approval from the state, which seemed unlikely. They determined the most feasible option would be a ballot measure increasing the County's sales tax by a quarter cent for 10 years, which would also require a two-thirds majority vote.

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<sup>17</sup> City of Los Angeles. (2016, February 9). "Comprehensive Homeless Strategy."

<sup>18</sup> Los Angeles County. (2016, February 9). "Approved Strategies to Combat Homelessness: Los Angeles County Homeless Initiative."

<sup>19</sup> Abt Associates. (2018, February 27). *Proposition HHH/Measure H: How It Happened and Lessons Learned*.

Polling also predicted that the County measure was likely to pass if placed on the November 2016 ballot alongside the City measure. However, getting the measure on the ballot required agreement from four of the five Los Angeles County Supervisors, who each represent roughly 2 million residents and oversee services to 88 incorporated cities ranging in size from Vernon (population 123) to the City of Los Angeles (population 4 million).

Two County Supervisors – Don Knabe and Michael D. Antonovich – opposed the ballot measure. Antonovich’s district covers more rural and conservative areas of northern Los Angeles County, and Knabe’s district borders more conservative Orange County. Both were loath to place the measure on the ballot since it would raise the County sales tax. Their opposition effectively blocked the county’s hopes of getting it on the ballot at the same time as the City proposition. As a result, what eventually became Measure H would have to wait until after the November 2016 election when both Knabe and Antonovich would be termed out of office and two new members would be elected to the Board of Supervisors. While advocates hoped that the persons elected to the open seats would support the measure, there were no guarantees they would have the votes needed. This was problematic not only for strong proponents in the County, but also for the Mayor and the City Council, who had staked the City’s strategy, at least in part, on additional County funds for homeless services.

## PROPOSITION HHH

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With the support of the coalition that had formed as part of Home For Good, the City forged ahead with their November ballot initiative uncertain that County residents would ever get to vote on an accompanying measure. The California Community Foundation (CCF) and United Way spearheaded the Proposition HHH campaign. As public charities, both CCF and the United Way were able to support advocacy activities in ways that private foundations could not.<sup>20</sup> Trade unions, businesses such as Airbnb and philanthropists

like Eli Broad and Scott Minerd also contributed to the campaign, which cost approximately \$2.2 million.

The “Yes on HHH” campaign emphasized the needs in the region as well as the effectiveness of permanent supportive housing. It also made sure that voters knew this was more than a government initiative, highlighting the work that had been done through HFG, such as the Coordinated Entry System that had streamlined and improved homeless-related services, and the success that street and community outreach teams were having in identifying and providing help to those most in need.

The bond measure would also include new mechanisms for accountability and oversight. First, the City would provide funding to local developers through an open and competitive process and all housing units financed were mandated to remain affordable by an objective standard for 55 years. Second, it authorized the formation of a seven-member Citizens’ Oversight Committee, which would recommend how HHH funds should be utilized, along with an Administrative Oversight Committee, comprised of staff from the office of the mayor, the chief administrative officer, and the chief legislative analyst. Third, it mandated annual allocation plans and audits on the use of funds. And fourth, perhaps most importantly for voters, the United Way, the Chamber and the larger Home for Good enterprise promised to hold the City, developers and providers accountable to the community, including tracking and reporting on progress.

In the run-up to the election, polling showed that homelessness remained a top concern among voters. Because Proposition HHH would be on the November 2016 ballot, a presidential election year, the campaign focused on ensuring that more liberal voters, which polling suggested supported the bond measure by a wide margin, turned out to vote and understood what HHH could achieve. Campaign organizers sent 100,000 handwritten letters, including hundreds from homeless individuals living in Skid Row and elsewhere, to voters across the City telling them about the importance of Proposition HHH. Glossy flyers were sent to about 300,000 households with messages such as,

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<sup>20</sup> The United Way of Greater Los Angeles ultimately came close to its issue campaign limit of about \$1 million with its support of the measure.

“You can help fight homelessness with just your vote.” The United Way contacted more than 2,000 organizations in Los Angeles asking them to publicly support the measure. Dozens of nonprofit agencies that provide housing and supportive services for persons experiencing homelessness contributed thousands of hours for person-to-person outreach – including knocking on doors and manning phone banks – as well as through social media. The campaign also produced several YouTube videos featuring political leaders and homeless persons and organized flash mob events across the City.<sup>21</sup>

The hard work of the campaign paid off. On November 7, 2016, City voters passed Proposition HHH with 77% of the votes – ten percentage points higher than the required two-thirds majority. But housing units would take time to build and could not fundamentally address the homelessness crisis alone. Dedicated supportive services were still needed to house the homeless and keep them from falling back into homelessness as well as prevent vulnerable Angelenos from becoming homeless, the exact services that could be provided by getting Measure H on the ballot and approved by County voters in the next election.

## MEASURE H

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In addition to the big win for Proposition HHH, the November 2016 election sat two new members of the Los Angeles County Board of Supervisors: Janice Hahn, a former Democratic congresswoman, and Kathryn Barger, a moderate Republican, replaced Supervisors Knabe and Antonovich. Just a month after their election, and one day after the two new board members had been sworn in, the Board of Supervisors, led by Chairman Mark Ridley Thomas, voted unanimously to place Measure H on the March 2017 ballot. The measure was expected to raise \$3.5 billion over 10 years for a range of supportive services including rental subsidies, case management and mental health ser-

vices to help prevent homelessness and ensure those who received housing stayed housed.

With just four months before Measure H would be on the ballot, the campaign that had formed to pass the City measure immediately got to work. The turnout in an off-cycle election was expected to be low, which tends to benefit the group that is the best organized. Campaigners had to make sure they got the message out and turned out the vote.<sup>22</sup> The campaign enlisted support from more than 300 organizations and had the full backing of the City, which was anxious to have expanded supportive services and prevention programs in the region.

In all, \$3.4 million was spent on mailing and advertising on Measure H. This was used to send more than four million pieces of campaign literature to County residents. Advertisements included television spots that highlighted what Measure H would do for homeless persons and newspapers ads, including on the front page of the Los Angeles Times. By March 2017, online campaign ads supporting the measure had been viewed 11 million times.

The California Community Foundation committed \$300,000 to the campaign, working with California Calls, a nonprofit that organizes new and infrequent voters. They partnered with grassroots organizations that were trusted in the communities to better target their voter education campaign. The Community Coalition focused on South Los Angeles, while the Los Angeles Community Action Network focused on Skid Row and LA Voice worked citywide. In all, paid staff and volunteers made more than 550,000 phone calls, knocked on 10,000 doors and tracked 37,100 likely “yes” voters.

While early returns did not look promising, “Yes on Measure H” was approved by 69.3% of voters, above the two-thirds threshold. The measure sunsets in 2027 and is expected to raise \$355 million in dedicated resources per year to help tens of thousands of homeless Angelenos and those at risk of becoming homeless.

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<sup>21</sup> Smith, D. (2016, November 2). “Can heartfelt letters from the homeless convince LA to pass landmark bond?” *Los Angeles Times*.

<sup>22</sup> The *Los Angeles Times* reported that records dating back to 1902 showed that Measure H was the only revenue proposal ever attempted during a March, low turnout election.

## POISED FOR SCALING UP

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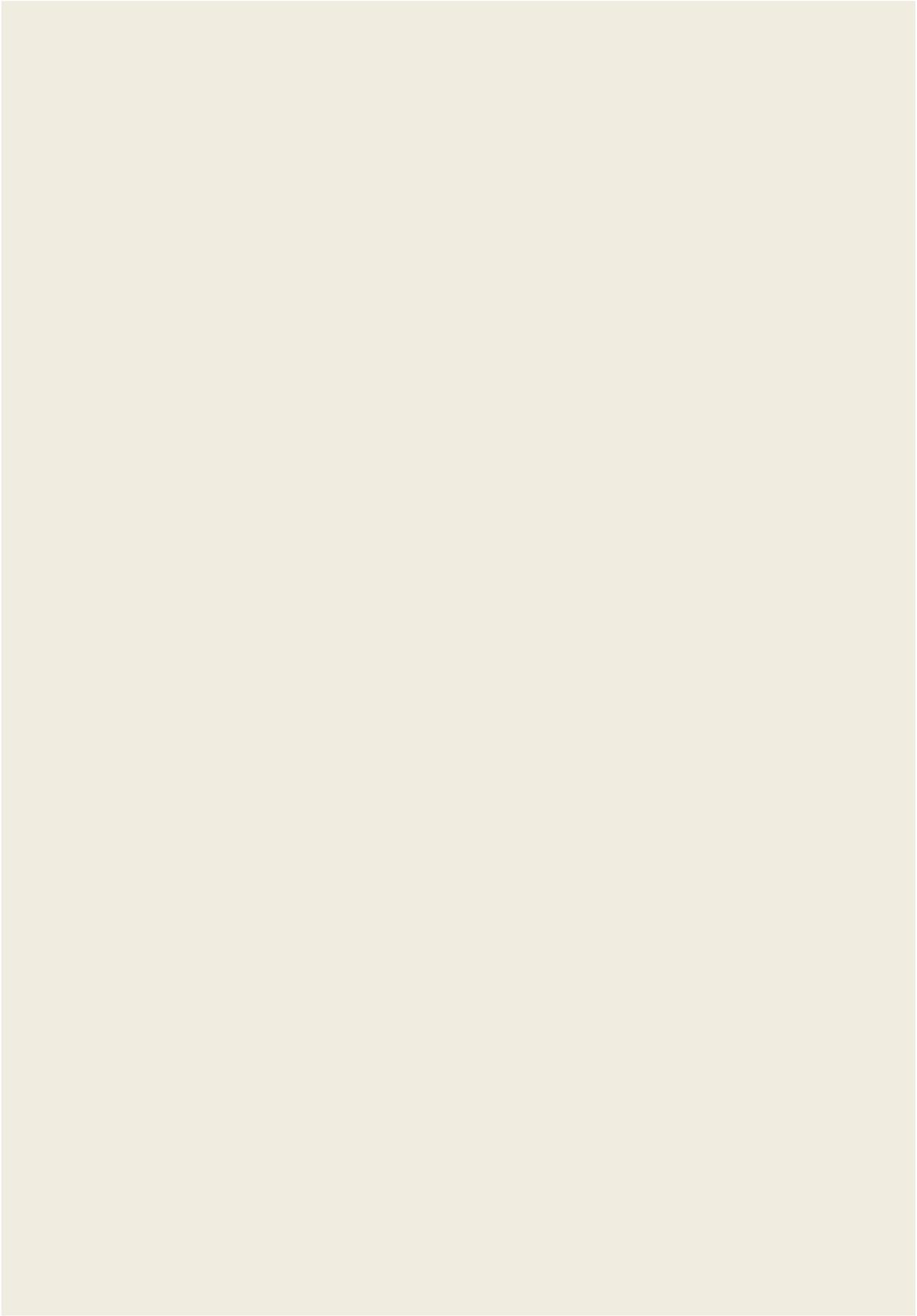
The path that led to unlocking nearly \$5 billion in new funding to address homelessness through the two ballot initiatives was forged over a decade and a half. Early efforts like the Skid Row Homeless Healthcare Initiative, and the strengthening of permanent supportive housing providers gave way to a more coordinated infrastructure for action: Home For Good. Experimentation and innovation in service delivery followed, such as the Coordinated Entry System, and ultimately the capacity for collective action as reflected in the approval of the two ballot measures. Along the way, there were bumps in the road – the inadequacy of Bring Los Angeles Home, the failure to rally support for the 2006 ballot initiative and the County’s backpedaling on its commitment to open more regional homeless shelters. But the infrastructure that was built with HFG made it possible to get through the uncertainty when the County delayed its ballot measure in 2016. (Figure 3 notes milestones in the effort to end homelessness over the period 2003-2017).

Over time, the efforts to build the field created a stronger network of committed leaders and advocates in the region. They learned along the way that without City-County cooperation the resources philanthropy and business generated would not be enough to tackle the problem. The United Way’s leadership in creating a platform that drew in business leaders put additional pressure on City and County leaders to improve services and better align programs and systems that could help the homeless. Moreover, it created a venue for leaders to forge strong bonds across sectors and built their capacity to act in the face of a crisis, one that became unbearable with the release of the 2015 homelessness count and rising demand for action among Los Angeles-area residents.

At that point, a small group of dedicated leaders with different roles, vantage points, and forms of leverage – whose relationships had been strengthened by a persistent commitment to ending homelessness – helped the City and County formulate a coordinated set of comprehensive plans that provided a framework for action. Leveraging the broad-based coalition that had been forged over the years enabled philanthropic leaders to support the United Way and CCF in their efforts to spearhead the voter education and turnout

campaigns that successfully led to passage of Proposition HHH and Measure H.

Yet, philanthropy and its partners are well aware of the hard work required to ensure that funds from the two ballot measures are effectively used and that other elements of the City and County homelessness plans are implemented. The challenges that remain are exceedingly clear as many communities have fought efforts to build or retrofit housing for homeless persons in their neighborhoods and upstream impediments – from wage stagnation to soaring housing costs. Nevertheless, what philanthropy has helped to achieve with its partners should not be understated. Developing, testing and scaling innovative approaches to ending homelessness, fostering coalitions and networks to act boldly, and helping to bring substantial resources to the issue has made the next chapter – making a real and lasting impact on homelessness – possible.



### FIGURE 3. KEY MILESTONES IN THE EFFORT TO ADDRESS HOMELESSNESS IN LOS ANGELES: 2003 – 2017

2003	Weingart launches Skid Row Homeless Healthcare Initiative to improve healthcare for homeless persons in Downtown’s Skid Row.
2004	Funders Together to End Homelessness begins as the Partnership to End Long Term Homelessness – an informal network of seven national funders that includes the Hilton Foundation, Fannie Mae and the Fannie Mae Foundation, Melville Charitable Trust, Rockefeller Foundation, Robert Wood Johnson Foundation, and Deutsche Bank to share ideas and take action around permanent supportive housing. It later opens a Los Angeles funder-focused chapter. The Hilton Foundation provides a 5-year grant to the Corporation for Supportive Housing to build up the housing first model in Los Angeles with a focus on permanent supportive housing for individuals with mental illness.
2006	Mayor Villaraigosa’s ballot initiative – Measure H – is rejected by City voters. The bond would have provided \$1 billion for more affordable housing in the City.  Los Angeles Homeless Services Authority (LAHSA) releases a ten-year strategic plan to end homelessness – “Bring Los Angeles Home” that includes new commitments from Los Angeles County Supervisors to improve services for homeless persons. The plan quickly fizzles in the face of constituent opposition and lack of funding.
2007	United Way of Greater Los Angeles (UWGLA) develops a ten-year action plan, “Creating Pathways Out of Poverty,” focusing on meeting basic needs, which signals its shift from a community chest to an initiative-driven organization; it also launches the first annual Homewalk, which focuses on raising funds and bringing awareness to the plight of persons experiencing homelessness in Los Angeles.
2009	The Hilton Foundation provides a \$450,000 grant to UWGLA to engage the business community, leading to the development of the Business Leaders Task Force, an initiative with the LA Chamber of Commerce. Its focus is on improving the effectiveness of existing systems of care and rallying federal dollars in the aftermath of the 2008 housing crisis.  The United Way of Greater Los Angeles funds research that finds that taxpayers spend \$20,000 more over a two-year period per person for someone living on the streets than they would on permanent housing. The Economic Roundtable releases a report with similar results.
2010	The Business Leaders Task Force on Homelessness, fueled by UWGLA and the Chamber, officially launches a five-year plan called Home For Good.
2011	The Home For Good Funders Collaborative forms behind the scenes to raise money, fund innovate programs and think through how to better align funding for homeless services. It begins as a group of 24 public and private funders with the Hilton Foundation providing a \$1 million matching grant to seed the effort.  The Home For Good action plan calls for the reallocation of \$230 million for permanent supportive housing, which signals a paradigm shift from emergency shelters and transitional housing to permanent supportive housing for chronic homelessness.

2013	Home For Good partners with nonprofit providers to pilot the Coordinated Entry System, a community-based system that matches homeless individuals to the optimal resources for their needs (and has become a model now used in more than 25 major cities).
2015	Report from City of Los Angeles Chief Administrative Officer finds the City spends \$100 million a year on homelessness with little strategy and guidance.
	Homeless count shows dramatic increases in the number of homeless on the streets from 2014, ultimately leading to new, more urgent conversations among funders, the City and the County. This includes informal meetings on the weekends between City, County, LAHSA and UWGLA.
	The City of Los Angeles declares a “homelessness crisis,” pledging to spend \$100 million to aid those living in shelters or on the streets, with the Mayor officially signing onto Home For Good goals.
	Los Angeles County launches its Homeless Initiative, which included 18 policy summits covering nine topics related to homelessness and drawing in leaders from across government, nonprofits, philanthropy and the broader community.
	Los Angeles County Affordable Housing Fund votes to increase its allocations from \$20 million in 2015-2016 to \$100 million by 2020-2021 with funding that covers permanent supportive housing.
2016	Los Angeles County and the City of Los Angeles adopt comprehensive action plans on the same day that contain overlapping strategies to prevent homelessness, subsidize housing, increase income, provide case management services, and create a coordinated system of care to help prevent homelessness and provide better supports to those experiencing homelessness.
	With a nudge from philanthropy, the City pledges to reduce wait time for developers to one year by streamlining permitting and entitlement work. (The ordinance eventually passed in 2018).
	The Coordinated Entry System (CES) transitions to LAHSA from UWGLA, bringing alignment between all three coordinated systems (family, youth and single adults) under LAHSA.
	Proposition HHH passes with 76 percent the vote, allocating \$1.2 billion for 8,000-10,000 permanent supportive housing units for the City of LA’s homeless population over the next ten years.
	A newly elected County Board of Supervisors authorizes placement of Measure H on the March 2017 ballot.
2017	Los Angeles County Measure H passes, providing \$355 million annually for mental health, substance abuse treatment, health care, education, job training, rental subsidies, emergency and affordable housing, transportation, outreach, prevention and supportive services for homeless children, families, foster youth, veterans, battered women, seniors, disabled individuals, and homeless adults.

# Lessons For Philanthropy

The arc of this case – from greater intentionality in building the field to the success of the two ballot measures to scale resources – holds important lessons for philanthropic leadership. While there were many innovations, individuals, and institutions that contributed to the progress, the concerted focus of philanthropy – including the United Way – was instrumental. This is illustrated by the important role Home For Good played in bringing parties from different sectors to the table. But even HFG’s successes were no match for the complexity of the problem. The broader field, however, was ready to address the problem head on when the confluence of forces led to the crisis point in 2015. The coalition that emerged from building the field over the years was able to step up and spark action that ultimately led to the successful ballot measures. This case underscores a number of lessons that are relevant to addressing “wicked problems” that confront communities. The most prominent among them are: the importance of building a field to provide the requisite infrastructure for action; adaptive and distributed leadership that can orchestrate bold action by having different players respond at different moments with their strengths; and recognition of the need to engage government.

## 1. THE IMPORTANCE OF BUILDING A FIELD FOR ACTION.

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Enduring problems like homeless have generated varied responses over time, leading to a complex array of organizations seeking to fill gaps and address different dimensions of the problem. This can result in a dizzying landscape that makes it difficult to take intentional, coordinated action. With the support and encouragement of foundations and businesses, the United Way was able to bring local government to the table. Through Home For Good, the region had an infrastructure for experimenting with innovative solutions as well as a platform for more concerted action.

Building a field is the accumulation of efforts. It does not just happen, and surely not overnight, when a crisis emerges. It requires thoughtful, intentional actions that value the importance of creating knowledge, structures, and relationships that can be leveraged when needed. This is an important role that

philanthropy can play given its ability to think about the long-term, and to frame complex problems within a systems perspective, rather than defining complex problems narrowly.

As this case demonstrates, the long path to the ballot measures was not linear, nor was the next step always obvious. Certainly, few in the early years thought coordinated ballot measures of such scale were possible. But perseverance and commitment from philanthropy along with the day-to-day focus of the United Way helped to push efforts along. Early efforts like the Skid Row Homeless Healthcare Initiative and the Hilton Foundation’s partnership with the Corporation for Supportive Housing, laid the groundwork for many of the solutions that followed, including permanent supportive housing and more integrated systems of care.

Yet these successes were often overshadowed by disappointments like Bring Los Angeles Home, the County reneging on its pledge to open regional homeless shelters and the failure of Mayor Villaraigosa's affordable housing proposition. Distrust between the City and County, the size of the problem and the complexity of the systems of care involved could have permanently derailed regional efforts to confront the issue. For nearly all of those involved over the last 15 years, there were moments when even small

advances – let alone breakthroughs – seemed out of reach. But the steadfastness of philanthropy and its partners anchored the progress. Rather than giving up or resigning to incremental changes, philanthropy and its allies learned from past missteps, building the intelligence for what was possible, and paving the way toward two comprehensive City and County plans and two ballot measures to scale up public resources to better match the magnitude of the homelessness problem.

## **2. ADAPTIVE AND DISTRIBUTED LEADERSHIP IS CRITICAL TO ADDRESSING COMPLEX PROBLEMS.**

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As philanthropy worked to build an infrastructure for experimentation and innovation, a broad and inclusive coalition based on trusting relationships emerged among leaders from different organizations and across the sectors. This trust was earned from working together to address a myriad of challenges within the system and the changing realities on the ground to create models to improve the system and align public and private resources. These experiences created a cadre of leaders able to adapt as they sought solutions for homelessness. It was these same leaders that pulled together to plot bold action – the two ballot measures – in response to the 2015 crisis. It required leadership from government, no doubt. But philanthropic, nonprofit and community leaders nudged and cajoled to get the measures on the ballots. Once on the ballots, they partnered for the successful campaigns.

The ability for individuals from different quarters to provide such leadership at different moments in the process is what it takes to advance big bets that match wicked problems. This was made possible by experienced leaders who had been at this work over a long time period – in some cases for much of their working lives. Binding them was their commitment to ending homelessness. Many of those most closely involved have worked in more than one organization and often in more than one sector – at times within nonprofits, at others within foundations as well as within different government agencies and elected offices. These experiences provide them with perspectives, insights and knowledge that they would not ordinarily

have about their partners. Furthermore, it has helped them to collectively form and build a broader and stronger network to steer the region toward the big bets needed to end homelessness. And, it was critical that the leaders had different strengths that they could leverage precisely when needed.

Consider how philanthropic leadership was distributed among a number of different foundations. The Hilton Foundation was a stalwart in building the field, advocating for permanent supportive housing, and underwriting the launch of the Business Leaders Task Force that gave way to Home For Good. Meanwhile, the California Community Foundation had long focused its efforts to increase affordable housing and improve the effectiveness of the development process. The Weingart Foundation, with an enduring commitment to the homeless, focused on philanthropic collaboration and philanthropic-public partnerships in addition to strengthening nonprofit providers and advocates. But philanthropic leadership was not limited to these foundations. There were other foundations such as The California Endowment that stepped up and spoke out to advance the cause, providing a vital community anchor. These efforts were amplified and empowered by the United Way's creation of Home For Good, bringing together the business community, philanthropy and the public sector. The tenacity of the United Way/Home For Good team and HFG's dexterity, which began with convening, fundraising and improving the delivery of services and ended with advocating and mobilizing for change, enabled this bolder leadership.

### 3. LARGE SCALE SOLUTIONS REQUIRE ENGAGING GOVERNMENT.

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Philanthropic leaders have to understand that large scale public problems often require public resources and, hence, must be willing to engage with government as they look for solutions. The case illustrates the importance of strong connections to the region's public officials – elected and appointed. This was facilitated by Home For Good, which became a platform for philanthropic-government engagement and was especially important during leadership transitions in the public sector, including changing administrations and turnover on different city councils and the Los Angeles County Board of Supervisors.

Strong relationships are always critical. Given the mismatch in the rhythm, culture and imperatives of philanthropy and government, this is especially true when philanthropy engages government. Fortunately, there is a greater opportunity for building and nurturing these relationships at the local level, where there tends to be a greater degree of familiarity and interaction, one that can be accelerated by platforms such as HFG. Such relationships are invaluable in working toward shared interests and common solutions.

Cross-sectoral partnerships and collaborations are never easy, but they can lead to more effective use of resources by examining programs and policies, such as the development and scaling of the Coordinated Entry System demonstrated.

The nature of government engagement in this case goes a step further. It is not just about sharing ideas and working to implement them. As philanthropy takes a more active role in policymaking at all stages of the process – from helping to frame the ballot measures to working to get them passed and now implementing them – it is important for philanthropic leaders to understand what is possible. This type of engagement is not necessarily comfortable for philanthropy given the restrictions on lobbying and the risks involved in failure. But the roadmap for how philanthropy can be proactive in public policy has been laid out as more foundations have decided to go “all in” for greater impact in recent years. To help encourage those who are contemplating such action, there are a growing number of wins, including what philanthropy has helped to achieve in Los Angeles.

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Philanthropy has been an anchor in Los Angeles to address the enduring homelessness problem. With the churn of politics and government, the inefficiencies of the development processes, and the ups-and-downs of housing markets, such a role has been critical. Philanthropy and its partners have kept the issue on the policy agenda through disappointments and the uncertainty of political transitions. Its strong voice has been able to keep attention on the issue and, when opportune, rally a broad constituency for action. It has demonstrated the importance of building a field, adaptive and distributed leadership, and government engagement to match the complexity and severity of the homelessness crisis. In this way, philanthropy has created the infrastructure to help write the next chapter in the Los Angeles story – the implementation of Proposition HHH and Measure H.

## QUESTIONS FOR DISCUSSION

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### *Field Building*

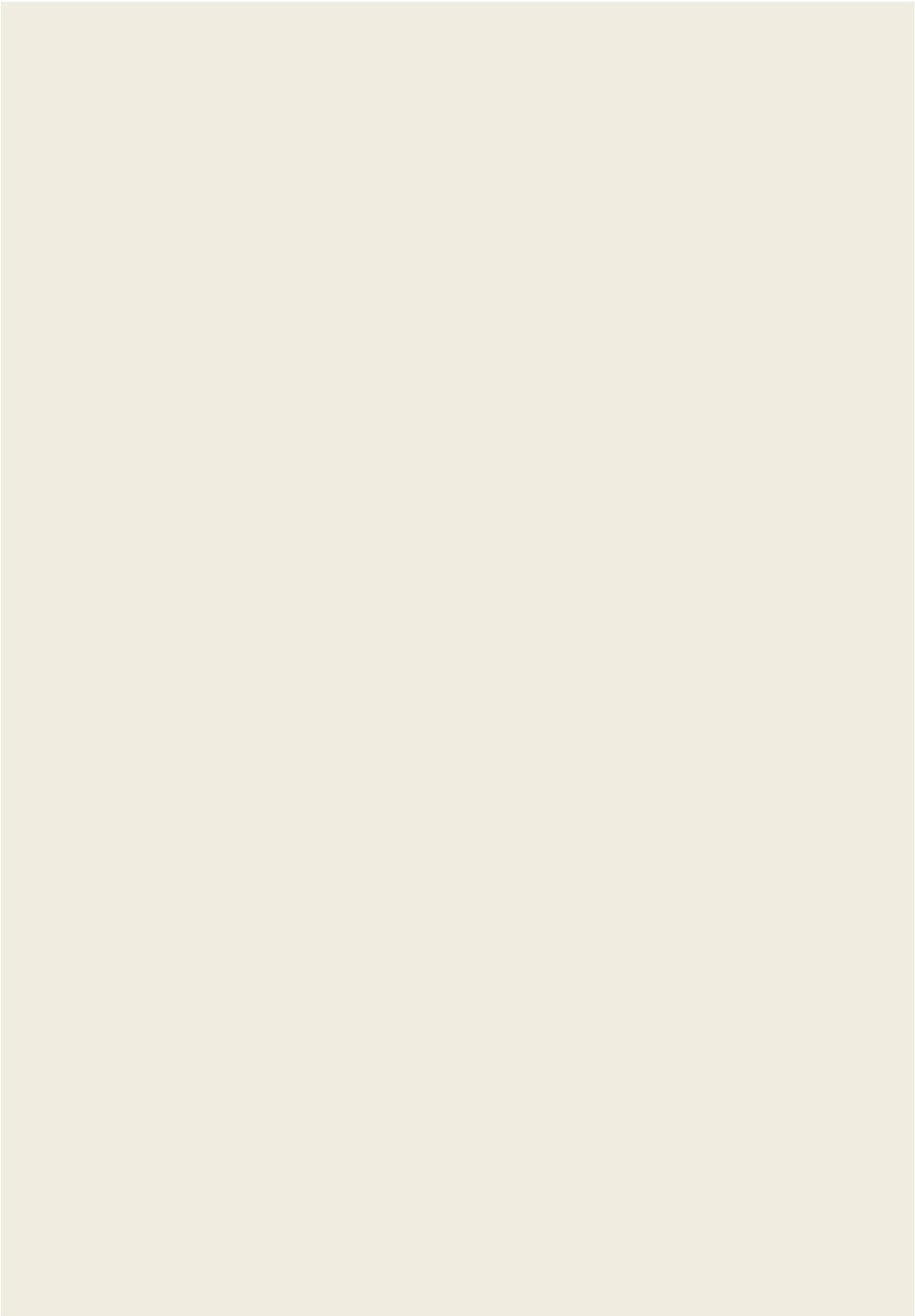
- Does your foundation make investments to build the field(s) that are central to your foundation's mission?
- How do you value the contributions of field building in the context of the impact of the foundation's work?
- How do you balance field building with the work itself?

### *Community Anchor*

- Does your foundation play a role as a community anchor?
- What strengths does your foundation bring to that role?
- How do you provide leadership in that role?
- Who do you share leadership within philanthropy?
- Where do you find allies from outside philanthropy?

### *Engaging with Government*

- Does your foundation see engaging with government as essential or helpful to your work?
- Do you engage government from the outside or the inside?
- How does your foundation factor in the costs and mitigate against the risks of engaging with government?



## INTERVIEWEES

This case was developed based, in part, on interviews conducted with a number of the principals involved in efforts to tackle homelessness over the last 15 years. The interviews were conducted between August 2017 and August 2018. (Affiliation listed at the time of the interview)

Fred Ali  
President and CEO  
Weingart Foundation

Torie Osborn  
Senior Strategist  
LA County Supervisor, District 3 (Kuehl)

Rosa Benitez  
Director of Program Investments  
Weingart Foundation

Bill Pitkin  
Director, Domestic Programs  
Conrad N. Hilton Foundation

Elise Buik  
President and CEO  
United Way of Greater Los Angeles

Molly Rysman  
Housing and Homelessness Deputy  
LA County Supervisor, District 3 (Kuehl)

Andrea Illouljian  
Senior Program Officer  
Conrad N. Hilton Foundation

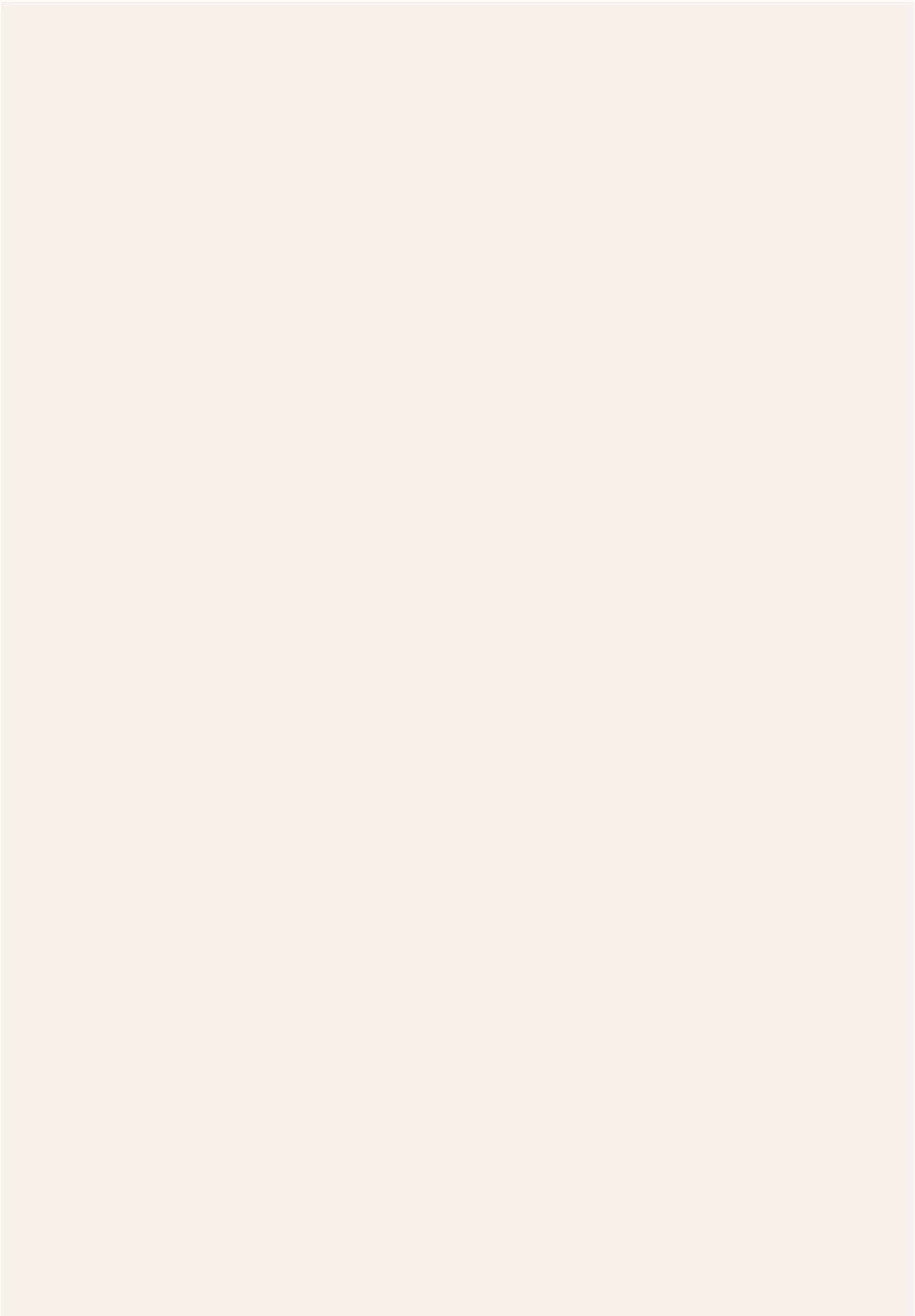
Miguel Santana  
President and CEO  
Los Angeles County Fair Association

Chris Ko  
Director, Home for Good  
United Way of Greater Los Angeles

Jeff Schaffer  
Vice President of Client Services  
JMC Philanthropic Advisors

Christine Margiotta  
Executive Director  
Social Venture Partners Los Angeles

Ann Sewill  
Vice President, Health and Housing  
California Community Foundation







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