



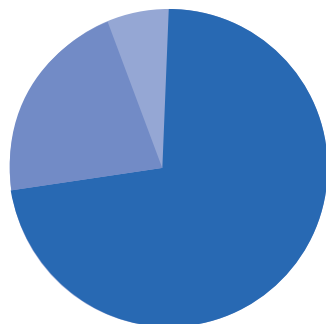
FLEXIBLE HOUSING SUBSIDY POOL*

Individuals experiencing homelessness are often among the highest utilizers of expensive health care services. The Flexible Housing Subsidy Pool (FHSP) provides a rental housing subsidy that is paired with support services for LA County’s most vulnerable homeless populations. A wide body of research shows that this combination is the best, most cost-effective solution to chronic homelessness and dollars saved from “band-aid” solution costs such as hospital stays can be used as rental subsidies that provide people a stable home.

Launched in 2014 by the LA County Department of Health Services (DHS), the FHSP is financed through a combination of public and private funding.

SUCCESS BUILT ON PUBLIC-PRIVATE PARTNERSHIP

THE POOL HAD AN INITIAL INVESTMENT OF \$18 MILLION:



- \$13 million -** Department of Health Services
- \$4 million -** Conrad N. Hilton Foundation
- \$1 million -** Office of LA County Supervisor Mark Ridley-Thomas

The early success of the FHSP and the subsequent growth of the program is testament to the collaboration of the County and its philanthropic partner, the Conrad N. Hilton Foundation, as both leveraged each other’s experience, reputation, and political capital. For example, the Hilton Foundation’s initial investment of \$4 million served as a catalyst to build initial support for the effort, inspiring confidence in its potential for success.

Since the launch of the FHSP, private foundations continue to provide critical support and funding to boost its impact and to kick-start new initiatives. Some examples include:

BREAKING BARRIERS PROGRAM

The LA County Probation Department reports that up to 20 percent of probationers are either homeless or unstably housed, putting them at high-risk of further involvement in the criminal justice system and potential re-incarceration. In 2015, a \$2 million Hilton Foundation investment leveraged \$4 million from the Probation Department to support the launch of Breaking Barriers, which provides rapid re-housing, intensive case management, and employment services to this vulnerable population.

JUST IN REACH PROGRAM

For chronically homeless, frequently incarcerated individuals, permanent housing paired with support services is key to reducing recidivism. The Just in Reach program, launching June 2017, will connect 300 individuals to in-reach services and ultimately to supportive housing. As a Pay for Success model, the program sought \$10 million in private loans through which payments for service delivery are tied to achieving measurable outcomes—in this case, reduced recidivism and housing stability. The Hilton Foundation was the first investor in the initiative through a \$3 million program-related investment loan.

*The report pulls from https://hilton-production.s3.amazonaws.com/documents/266/attachments/Flexible_Housing_Subsidy_Pool_Brief_Final.3.31.17.pdf?1490997742

FHSP – FOUNDATION FUNDING

Conrad N. Hilton Foundation

\$4 million - FHSP initial investment (2013)
\$2 million - Breaking Barriers program (2015)
\$3 million - Just in Reach program (2016)
\$1 million - Capacity support for Brilliant Corners (2016)
\$200,000 - Move-in funds (2016)

Weingart Foundation

\$1.5 million - Move-in funds (2016)

L.A. Care

\$200,000 - Move-in funds (2016)
\$20 million - FHSP program investment (2017)

CAPACITY SUPPORT FOR BRILLIANT CORNERS

Brilliant Corners is the central coordinating agency of the FHSP responsible for securing a broad range of housing options, administering the rental subsidy, and providing fiscal and administrative oversight. Given the enormous growth of the FHSP, Brilliant Corners needed to increase its capacity to meet the demand of the quickly growing fund and new programs. While the County provides ongoing salary support for the nonprofit, it was also critical that it ensure its financial, personnel, and fundraising strength. In 2016, Hilton Foundation provided a one-time investment of \$1 million to help Brilliant Corners by supporting activities such as strategic and financial planning, and developing a communications, marketing, and fundraising plan.

MOVE-IN FUNDS

Beyond securing a housing unit, moving in is the first step to making a house a home. It is critically important to housing stability that residents move into furnished,

comfortable units. With the FHSP helping pay for the long-term need of permanent housing, philanthropy has provided one-time support to make a house a home through move-in funds. Such commitments have been made by the Weingart Foundation, LA Care, and the Hilton Foundation.

LESSONS LEARNED

A philanthropic investment can help entice other philanthropic funders and encourage non-traditional public sector partners. The Hilton Foundation's seed funding and continued support helped attract other public and private funders and partners, such as the Probation Department and L.A. Care, to invest in the FHSP. Because of this large-scale support, philanthropy has not been called upon to invest in the same element of the FHSP repeatedly. Instead philanthropy funds other programs that have "spun out" from the FHSP.

While philanthropy can use its resources to jumpstart a program, it also can cover costs that may be more difficult to prioritize with government funding. As the FHSP grew, additional philanthropic investments were made by private partners to strengthen the capacity of program partners and cover move-in costs for clients.

Government entities can challenge assumptions about the boundaries of public health in order to meet the unique needs of its clients that will have a long-term positive impact for individuals, communities, and the use of public resources.

- EMBRACE THE PHILOSOPHY THAT HOUSING IS A CRUCIAL FORM OF HEALTHCARE FOR ITS HOMELESS PATIENTS.
- SPEARHEAD DISCUSSIONS ABOUT RESPONDING TO THE INCREASING NUMBER OF HOMELESS HIGH-UTILIZERS OF COUNTY SERVICES WHO ARE UNABLE TO FIND PERMANENT HOUSING.
- ADVOCATE THAT THE COST SAVINGS FROM THESE HIGH-UTILIZING PATIENTS WOULD OFFSET ITS BUDGETARY COMMITMENT IN THE LONG RUN.

Private philanthropy has the ability to make early investments that can quickly launch important initiatives, seed political buy-in and support, and provide tools for evaluation and oversight.

- COMMIT INITIAL INVESTMENTS THAT GARNER POLITICAL BUY-IN TO JUMPSTART THE FHSP AND LEVERAGE PUBLIC INVESTMENT.
- REQUIRE A COMMITMENT OF MATCHING PUBLIC FUNDS, WHICH DEMONSTRATES WILLINGNESS AND READINESS TO INVEST IN A PROMISING NEW PROGRAM.
- PROVIDE ONGOING FUNDING FOR EVALUATION, OVERSIGHT, AND RESOURCES TO BUILD CAPACITY.