



THE KRESGE FOUNDATION

ACCELERATING THE PRODUCTION OF PERMANENT SUPPORTIVE HOUSING

Over the past two years, Los Angeles has demonstrated unprecedented political will and strategic effort towards addressing the thousands of families and individuals experiencing homelessness. One key component of these efforts is to significantly increase the pipeline of new permanent supportive housing (PSH), affordable housing options coupled with supportive services, to break the homelessness cycle and help vulnerable individuals get off the street. Historically, the number of PSH units being developed across Los Angeles has not been nearly enough to meet the overwhelming demand.

To ensure the successful development of new PSH, private foundations are investing significant resources to support the construction of PSH that will move thousands of Angelenos experiencing chronic homelessness into stable and safe homes. This group is committed to making a series of key grant and lending investments and developing specific strategies to make increased PSH projects a reality for all of Los Angeles County. To date, the group has focused on both preparing PSH developers to effectively utilize public funds and create high-quality housing, as well as providing upfront investments to leverage public monies.

ACCELERATING PSH IN THE CITY OF LOS ANGELES

The Conrad N. Hilton Foundation, California Community Foundation, Weingart Foundation, and Kresge Foundation are working alongside PSH developers, providers, and lenders to envision what it will take to increase the City's current production of 300 PSH units a year to 1,000 each year—and how philanthropy can help jumpstart growth. To triple the number of PSH units created in the City of LA, the working group is supporting capacity expansion for PSH developers to collectively start 10 to 15 new developments each year to leverage Proposition HHH funding, a City bond that was passed by voters in November 2016.

Collaborating closely with the City and County and drawing on its vast knowledge of affordable housing development, the group has made possible the following:

- **SUPPORTING DEVELOPERS TO INCREASE THEIR PIPELINES.** As development ramps up, housing developers will need resources to meet the growing demand. Through the Home for Good Funders Collaborative, foundations have coordinated up to \$2.5 million in grant resources for local nonprofit developers to hire project management staff and consultants to identify sites, acquire property, start construction and get buildings operational.
- **INVESTING FUNDS TO JUMPSTART HOUSING DEVELOPMENTS.** Philanthropic dollars are providing front-end resources to encourage and leverage public sector funding for costs further down the line. Private funders have pooled \$20 million in loans, allowing the community development financial institution Corporation for Supportive Housing to leverage an additional \$50 million through a Supportive Housing Loan Fund. These early investments will help to buy land and pay for architects, engineers and fees, and increase the willingness of nonprofit providers to borrow funds.
- **ADVOCATING FOR STREAMLINING OF PLANNING, ZONING, AND BUILDING APPROVAL PROCESSES.** In order to speed up development of PSH, the foundations are working with the LA City Council and Mayor Eric Garcetti to reduce the average entitlement and permitting time to save costs and make housing available sooner. The Mayor released Executive Directive 13, Support for Affordable Housing, which sets aside priority processing for affordable housing developments and dedicated staff to support the increase in housing, ensuring the City builds or preserves at least 15,000 affordable units by 2021.

- **CHAMPIONING INCREASES IN ANNUAL PERMANENT FINANCING FOR HOUSING.** The group has been a powerful voice regarding the need for \$100 million in annual public funding for construction of PSH to increase the City's production to 1000 units per year, as is now made possible by voter approval of Proposition HHH.

WHAT'S NEXT

The passage of Measure H, the County's commitment of capital funding from local sources, and the expected availability of state funding from the state of California's No Place Like Home bond funds in 2018, provide resources that the County can marshal and leverage to support PSH across the County's 88 cities. Home For Good and local foundations can help convene stakeholders to develop program guidelines that will ensure efficient streamlined development and leveraging.

ACCELERATED PIPELINE PARTNERS



Foundations

California Community Foundation
 Conrad N. Hilton Foundation
 Kresge Foundation
 Weingart Foundation



Government

City of Los Angeles



Lender

Corporation for Supportive Housing



Nonprofit Developers

A Community of Friends
 Clifford Beers Housing
 LA Family Housing
 LINC Housing Corporation
 Mercy Housing California
 New Directions for Veterans
 PATH Ventures
 Skid Row Housing Trust
 SRO Housing Corporation

FOUNDATION SUPPORT TO SPUR HOUSING DEVELOPMENT

\$20 MILLION - predevelopment loans for new developments

\$2.5 MILLION - capacity-building for nonprofit housing developers

