Over the past decade, stakeholders across Los Angeles County have come together to develop and scale programs dedicated to ending homelessness. After establishing a series of plans, piloting efforts, and activating smaller-scale change over the last several decades, the work built on these smaller efforts has been scaled dramatically in the past few years due to large scale systemic change and an increase in public resources. In the process, the community has faced challenges and learned valuable lessons about how to support each partner’s capacity to effect systemic change and prepare for additional funding. The experience of Los Angeles may be a helpful example for other communities exploring system growth and resource investment.

The context in which Los Angeles’ homeless service providers and public agencies have evolved is key to understanding the capacity-related challenges they have faced.

- **Large-scale, systems-change work in Los Angeles began in 2013 with countywide implementation of the Coordinated Entry System (CES).** Stakeholders have worked collaboratively to create a system that places clients at the center. Regardless of how clients enter the system they are matched to the most appropriate resources based their acuity, need, and choice. The community has chosen to prioritize individuals with the highest vulnerability for supportive housing, and has implemented new homeless assistance models and approaches to support systems collaboration. This work, over the past six years, required homeless service providers’ daily operations to change, which, in turn, stretched their organizational capacities.

- **Systems and organizational growth in Los Angeles increased exponentially with the 2017 passage of Measure H.** This ten-year, quarter-cent sales tax funds housing, outreach, and supportive services to prevent and end homelessness. At the time of its passage, Measure H was expected to infuse a cumulative $3.55 billion into the homeless services system over the ten-year period – an exciting yet daunting amount that has increased providers’ funding levels at an unprecedented rate. Measure H has challenged providers’ capacities to manage new, larger contracts and increased service expectations.

**CAPACITY CHALLENGES FACING SERVICE PROVIDERS**

In the midst of this massive growth, the community has asked homeless service providers to build capacity in several integral ways, including staffing, physical space, technology, client-level data management, organizational infrastructure, and funding levels/cash flow. Figure 1 on the next page presents an overview of how each capacity issue manifests and has been exacerbated in the context of the combined systems change and system growth work providers have undertaken.
Consider long-term vs. time-limited strategic growth. Community stakeholders, including public agencies, homeless service providers, community organizations, and philanthropic partners should think about the growth in the homeless service system and what is best and sustainable for each entity.

Forecast funding opportunities so agencies can strategize and plan for growth. Funders should consider announcing funding shifts several months to a year in advance, allowing providers to take time to identify whether or not their organizations have the capacity and strategic interest to pursue these new funding opportunities and plan for program implementation more intentionally.

Commit upfront funding for capacity building. Public officials and private philanthropic funders should commit upfront funding to support capacity building and planning across funders and providers.

Amplify messaging to the general public that recognizes and supports efforts of service providers and public agencies across the community. Community entities involved in crafting communications should highlight messaging that recognizes the work being done by public agencies and service providers and set expectations for when visible results will be seen.

Continue to seek guidance from providers on their needs for training and technical assistance. It is important to seek providers’ guidance and input on what types of assistance and resources are most useful to help develop their internal capacities.

Ensure providers have a “table.” Providers should work with public funders, philanthropic partners, and each other to ensure that they have a place to collectively address capacity issues and develop solutions together.

Brainstorm creative, innovative solutions for space. Providers and public agencies should look for opportunities to support new workspace models such as teleworking or touchdown hubs where several service providers could come together to share office space.

Understand full costs, and contract to cover them. Providers should commit to identifying their “full” costs, and the community at large - including funders - should strategize ways to support these costs.

Read the full report: https://hiltonfdn.org/capacity