



**Home For Good
Funders Collaborative:
Lessons Learned from
Implementation and
Year One Funding**

**Evaluation of the
Conrad N. Hilton
Foundation Chronic
Homelessness
Initiative**

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Home For Good Funders Collaborative Lessons Learned from Implementation and Year One Funding

For many years, chronic homelessness has been a significant issue in Los Angeles County. While numerous nonprofit organizations, foundations, and the public sector have been working to address chronic homelessness for a long time, there have not been strategic attempts to coordinate public and private funding for the services and resources needed to address the issue. That changed in 2011 when public and private funders came together as part of the Home For Good campaign to create a more coordinated approach to funding permanent supportive housing (PSH) for chronically homeless people through the creation of the Funders Collaborative.

The Funders Collaborative was established to address the specific complexities associated with developing and operating PSH for chronically homeless people. Prior to the Collaborative, providers interested in developing or operating PSH generally applied for funds from a multitude of sources with different funding cycles, priorities, and availability, any of which could obstruct the project. The Collaborative was formed to bring public and private partners together to create a single funding application process, align funding priorities around PSH, and make funding decisions collaboratively.

Abt Associates, as part of a larger evaluation of the Conrad N. Hilton Foundation's Chronic Homelessness Initiative, conducted interviews with stakeholders in the Funders Collaborative process and reviewed available documentation about the formation of the group. The results of these activities were compiled and used to create this document, which is meant to serve as an overview of the formation of the Funders Collaborative and to outline lessons learned by participants during its first RFP process ending in July 2012. This resource may be useful to other communities interested in aligning public and private resources to address a community concern.

Purpose of the Funders Collaborative

The goals of the Collaborative were articulated to potential funding participants as follows:

- Match the \$1 million seed grant with at least \$4 million in private funds from foundations, corporations, and individual donors.
- Align at least \$35 million in public sector funding (commitments of capital, operating, and services funding) and release with private sector funds to ensure full funding of selected PSH projects.
- Help create 1,000 units of permanent supportive housing each year, both scattered site and newly constructed/rehabilitated units.

These goals informed the approach taken by the Collaborative in its first year. The following document describes lessons learned from this process in order to provide information to other communities interested in creating a collaborative funding effort. However, because the approach was designed in response to specific community goals, some of the approaches described below may not be appropriate for every collaborative funding effort.

Formation of the Funders Collaborative: Year One

Groundwork

The Funders Collaborative was built on a number of established processes already underway. Many city, county, and private sector funders and nonprofit agencies had established partnerships around the critical need to expand the amount of permanent supportive housing available in Los Angeles.

- In 2011, United Way of Greater Los Angeles and the LA Chamber of Commerce created the Business Leaders Task Force and launched Home for Good (HFG), a campaign to end chronic homelessness in LA County. This action plan outlined the necessary steps to end chronic and veteran homelessness in LA, and has been signed by a multitude of cross-sector partners.
- The Los Angeles Homeless Funders Group – a regional affiliate of Funders Together to End Homelessness with the active involvement of the Hilton Foundation, United Way, and other private funders – identified a local funding collaborative as a priority project in engaging philanthropy and the public sector to align resources toward permanent supportive housing.
- Corporation for Supportive Housing Los Angeles had been working with multiple City and County departments to align and streamline RFPs. The Los Angeles Housing Department and Housing Authority of the City of Los Angeles had made notable progress toward this goal, including meeting regularly to discuss priorities, identifying ways to coordinate efforts, and issuing several joint RFPs.

Process Steps

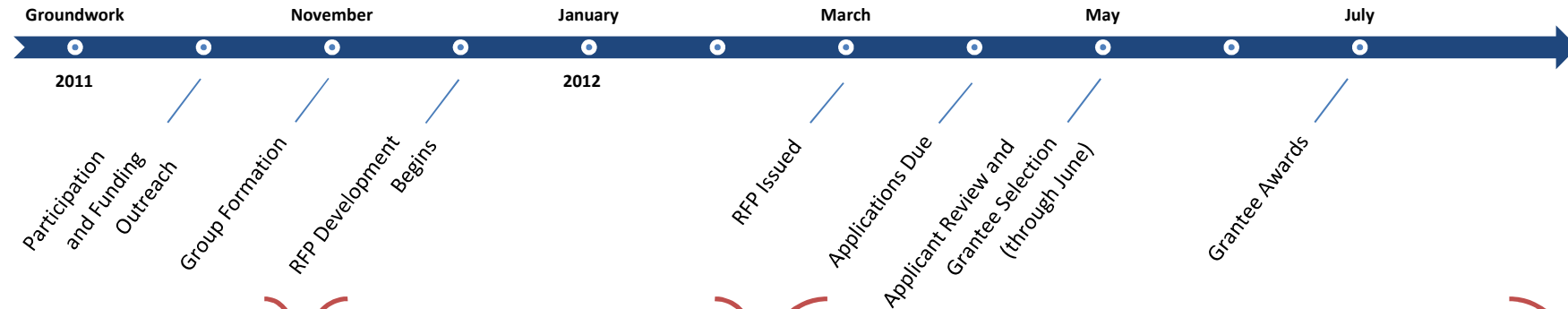
In September 2011, the Hilton Foundation provided a \$1 million challenge grant to United Way as seed funding for the Funders Collaborative, which required a match of four to one. Private and public funders convened to learn about the Collaborative and were invited to contribute resources. Planning meetings then were held to:

- Establish shared values and develop understanding of different organizational cultures;
- Establish and clarify methods of participation;
- Coordinate the resources on the table by using more flexible private dollars to fill gaps in public resources; and
- Identify remaining funding gaps and invite additional funders to join, adding participation options such as pooling funds, aligning funds, and coordinating funds through the application timing.

From December 2011 through March 2012, the Collaborative developed and released the RFP. The Collaborative's first-year RFP contained eight separate "funding areas" reflecting various degrees of alignment and pooling of resources. Grantees were selected in June 2012.

The callout boxes on p. 3 provide more detail on the methods of participation, application approaches, and review processes used by the Collaborative in year one. Exhibit 1 (p. 4) provides a list of all year one participants in the Funders Collaborative, the type of contribution, and their method of participation, and. Exhibit 2 (p. 5) provides a summary of each funding area, the application approach, review process, and funds granted for each area included in the 2012 RFP.

Timeline



Methods of Participation

- **Pooled** (private): funds administered by a single organization. Participating funders made grants to the United Way, which administered all of the grants.
- **Aligned** (public and private): funds administered by each funder, but the timing of the application and the criteria for the funds were coordinated with the pooled funds. Initially, this option was only available to public funders, but the group modified this plan to accommodate the needs of a broad mix of private funders.

Application Approaches

- **Single coordinated application:** required submission of a single online application form to the United Way. Used for pooled funding.
- **Multiple applications:** required submission of the United Way application as well as a simultaneous, separate application issued jointly by the City of Los Angeles Housing Authority and the Los Angeles Housing Department. Used where aligned public funding was paired with private funding.
- **Aligned application:** required submission of a single application form to entities other than the United Way. These aligned applications were issued at the same time as the single coordinated application. Used for aligned funding, particularly resources targeted to a more narrowly-defined geography or target population.

Review Processes

- **Collaborative:** Members of the Funders Collaborative were assigned to one or two funding areas to review the “single coordinated applications.” Participation in the Collaborative review process was voluntary, and any member was permitted to participate in the review of any funding area. Reviewers then met to discuss scores and select applicants.
- **Paired:** Threshold review was conducted by public funders (due to more stringent funding requirements) while other Collaborative members conducted a review as described above. The two groups came together to complete a final review during which funding decisions were made by consensus. This process was used when the “multiple application” approach was used. Each funder notified recipients of their awards separately.
- **Separate/Aligned:** In the case of “aligned applications,” review was conducted by the funder issuing the application. The timing was coordinated, but the review and grantee communication was separate.
- **Add-on funding:** Several funders added resources to the Collaborative after the RFP was issued or after the grant applications were reviewed. In these cases, the Funders Collaborative provided the funder with a list of high-scoring applicants in the appropriate funding area from which to select applicants. If the timing was appropriate, the communication to the grantees was handled by the United Way, otherwise the funder notified recipients of their awards.

Exhibit 1. Year One RFP Participants

Source	Contribution Type	Method of Participation
Private Funders		
Aileen Getty Foundation	Grant	Pooled
Annenberg Foundation	Grant	Pooled
The California Endowment	Grant	Pooled
The Carl and Roberta Deutsch Foundation	Grant	Pooled
The Carl and Roberta Deutsch Foundation	Grant	Aligned
Cedars Sinai	Grant	Pooled
Conrad N. Hilton Foundation	Grant	Pooled
Corporation for Supportive Housing (on behalf of the Hilton Foundation, Dignity Health, UniHealth Foundation, and W.M. Keck Foundation)	Grant	Aligned
Enterprise Community Partners	Technical Assistance	Aligned
Kaiser Permanente	Grant	Aligned
Business Leaders Task Force	Grant	Pooled
United Way of Greater Los Angeles	Grant	Pooled
United Way of Greater Los Angeles	Technical Assistance	Aligned
Weingart Foundation	Grant	Pooled
Public Funders		
Housing Authority of the City of LA	Voucher commitment	Aligned
Housing Authority of the County of LA	Voucher commitment	Aligned
L.A. County – Department of Mental Health, Department of Health Services, and Department of Public Health	Service commitment	Aligned
City of Pasadena	Voucher commitment	Aligned
City of LA Housing Department	Construction funds	Aligned
Housing Authority of the City of LA	Voucher commitment	Aligned
Other Workgroup Members		
City of Santa Monica	Office of County Supervisor Zev Yaroslavsky	
LA County Chief Executive Office	Office of County Supervisor Mark Ridley-Thomas	
Los Angeles Homeless Services Authority	Veterans Affairs Greater Los Angeles Healthcare System	

Source: Home For Good

Exhibit 2. Funding Area Summary

Funding Area	Application Approach	Review Approach	Number of Applicants	Number of Grants Awarded	Private Funds Awarded	Public Resources Awarded
1: Countywide Scattered Site <i>Supportive services to be paired with existing housing resources</i>	Single coordinated application	Collaborative (and some Add-On)	17	15	\$3,033,000	-
2: Countywide Scattered Site <i>Services and housing to be administered in collaboration with County departments</i>	Single coordinated application	Paired	2	1	\$1,000,000	500 vouchers (City and County Housing Authorities) and County services to accompany each of those vouchers over 2 years
3: Frequent Users System Engagement <i>Service partnership between nonprofit, hospital, and FQHC to be paired with existing housing resources</i>	Single coordinated application	Collaborative	3	1	\$100,000	-
4: City of Pasadena <i>Development</i>	Single coordinated application	Collaborative	1	1	-	19 project-based vouchers for new construction (Pasadena PHA)
5: New City Scattered Site <i>Tenant-based vouchers paired with services</i>	Multiple applications	Paired	14	7	\$550,000	110 tenant-based vouchers over 2 years (Housing Authority of the City of LA)
6: City of LA NOFA <i>Development</i>	Aligned application	Separate/aligned	8	8	-	218 project-based vouchers (Housing Authority of the City of LA) and \$8,594,111 capital (City of LA Housing Department)
7: Stable Homes, Brighter Future <i>Flexible funding to support PSH for transition age youth</i>	Aligned application	Separate/aligned	10	6	\$600,000	-

Source: Home For Good

Takeaways

A number of ‘lessons learned’ were identified through interviews with funders that pooled and aligned resources through the Collaborative, applicants that received funding, applicants that did not receive funding, and funders that elected not to participate in the Collaborative in year one. The key lessons learned are described below, organized by the stages of developing and implementing the Home For Good Funders Collaborative.

Groundwork

- **Fertile soil.** The Funders Collaborative benefited from existing efforts by City and County staff to align public RFPs, the nonprofit sector to support the work of the public agencies, and private sector funders already working to share knowledge and align resources around homelessness. Many of the participants in the Funders Collaborative had signed on to the HFG action plan. The success of a short-turnaround effort like the Funders Collaborative can depend on the right dynamic in the community.
- **Strong champion.** Even with the right groundwork, the effort is energized by visible champions providing resources and support to create visibility and encourage participation by other stakeholders.
- **Strong leadership.** Leadership willing to push forward quickly and assertively, along with the appropriate level of staffing to facilitate meetings, develop agendas, draft materials, and collect and analyze data, is critical to maintaining momentum.
- **Recognize and acknowledge the groundwork.** In building on previous independent efforts by each of the participating entities, it is important to acknowledge what has been accomplished, even as the group pushes forward into new territory.
- **Set a clear goal.** While a clearly mapped path might not be necessary in the first year (as discussed below), a clear goal is. In the initial planning meetings, the Funders Collaborative set a goal of releasing a single RFP within five months and set a deadline for doing so.

Participation and Funding Outreach

- **The right people at the table.** Large, collaborative efforts need strong and visible champions, but they also need the right champions at the right time. High-level community leaders can be tapped to provide financial resources, public support and political will, while program officers and public staff can be tapped to put the plans into action. Collaborative participants should have decision making authority at their organizations.
- **Be adaptable.** This first Funders Collaborative process was meant to be flexible, and the array of participation methods grew as the process grew. For example, the aligned approach was intended to be made available only to public funders, but the approach was expanded to private funders as it became clear that they, too, needed a more flexible participation option.
- **Reach out and follow-up with tentative funders.** Funders that elect not to participate in a collaborative can provide ideas for how to adapt the process to maximize participation. It may be difficult to design a process so flexible that it could meet the needs of all interested funders. However, the information gathered from participants and non-participants can inform new approaches. If the process does evolve, members of a collaborative should take time to reach back out to share any new

approaches with funders that elected not to participate to learn if the new approach might better meet their needs.

- **Clearly identify new investment.** Be clear from the beginning about which funding is new to the cause, realigned toward the cause, or had already been aligned with the cause, so the collaborative can have a clear, credible sense of funding commitments and whether the universe of resources has increased or has been realigned toward the target goals, or both.

Group Formation

- **Take time to build relationships.** Collaborations often bring together groups from different organizational cultures and levels of experience with the issue. Taking time to establish a collegial tone can play a role in bringing down barriers to collaboration. For example, the Funders Collaborative held meetings in a central location, served lunch, and started each meeting with a “question of the day” – a lighthearted, ice-breaking question intended to cultivate a more personal atmosphere.
- **Document meetings and events.** In a collaborative, most decisions (administrative, process-related, and mission-related) will be made during meetings. If a participant misses a meeting, he or she also likely will miss a significant process step. Recording attendance and taking meeting minutes to post or circulate by email allows participants to keep abreast of accomplishments.
- **Be inclusive.** Extensive use of jargon can create an exclusionary environment. Arming funders new to the issue with an introductory session or training will help provide all funders the same framework and improve the quality of their experiences.
- **Use time efficiently.** While initial meetings may require all participating members to attend, consider creating working groups to hammer out details as the group and responsibilities grow (for example, working groups for new funder outreach and engagement or RFP development).

Developing and Releasing the RFP

- **Be clear about roles.** Be clear with participating funders about their role in developing the RFP based on their level of giving. If the level of giving or role structure changes based on the evolving needs of the group, communicate the nature of the changes clearly to all participants.
- **Align application structure with group purpose.** If the purpose of the group is to get a full accounting and alignment of all resources targeted to the priority population or housing model, make sure the application collects information about the full scope of resources available to each project. This will improve application review and understanding of the scope of resources, and assist applicants in identifying and clarifying any potential overlaps between funders supporting projects within and outside a collaborative.
- **Intentional capacity-building.** If capacity building is a priority, consider a strategy for bringing technical assistance providers intentionally into the process as a resource provided through the RFP. Local technical assistance providers may be able to align HUD or local technical assistance resources with a collaborative to build capacity in specific geographic areas or for housing and services for specific subpopulations.

- **Consider a rolling RFP or a project-based match-maker program.** If the timing of an annual, structured RFP is not workable for certain funders or applicants, consider creating other opportunities to match funders and projects on an ongoing or project-by-project basis. In this model, the collaborative could establish and maintain relationships with funders focused exclusively on types of development targeted to certain subpopulations or geographies. That way, when the collaborative receives applications meeting those criteria, they could make an intentional connection (i.e. match-maker) between the funder and developer.

Application

- **Consider timing.** Account for the existing funding cycles and board or council voting schedules for participating funders when establishing the RFP timeline.
- **Consider other funding cycles.** Consider the timing of other, related funding opportunities. For example, capital projects intending to apply for low income housing tax credits (LIHTC) are required to have other funding commitments several months before California’s June due date for LIHTC applications. Splitting the capital resources out from the operations and services resources is one way the Funders Collaborative could support projects wishing to apply for LIHTC while still allowing the timing of the application for vouchers and supportive services to work with participating funders’ cycles.
- **Consider the complexity of the application when establishing the application period.** If the alignment between funders results in multiple applications all due at the same time, the burden on respondents may actually increase. Ensure that applicants have sufficient time to complete all of the applications in the event a single application form is not feasible.
- **Provide clarity of terms and resources.** Bringing together multiple funders will likely result in some discrepancies between terms of funding and funding periods. To the extent possible, these should be standardized (e.g. a funder that typically makes multi-year grants may be asked to make single-year grants through the aligned process). When standardization is not possible or desirable, the RFP should be very clear about the timing of the grants, the resources each grantee will be required to bring to match the grant, and the timing of that match. Providing examples of scenarios, perhaps in a bidders’ conference, may help applicants understand the expectations. If there are several such complexities, consider making the bidders’ conference mandatory.

Grantee Selection

- **Inclusion of stakeholders in review.** Prior to establishing a review process, consider how the group will manage stakeholders with vested interests in particular geographies or existing relationships with potential applicants. In some cases, communities will want to include only “impartial” reviewers to make more objective decisions. In other cases, the involvement of individuals with deep knowledge of a particular geography or experience with the provider community will be welcome information to layer into the review process. Neither approach is necessarily better than the other, but considering all possible approaches and making an intentional choice will ensure that participants have clear expectations.
- **Decide on alignment policy.** For funders that are “aligning” their funding rather than pooling, it is similarly critical to make an intentional, up-front group decision about how funding decisions will be made. In the case of pairing vouchers with private services funds, it is important to be sure

participants understand that more restricted, public funding may require a separate review process because the funder has regulatory or other strict standards to meet. Similarly, a funder that is only able to fund projects in a specific geography may be perceived by others as advocating for projects that serve their geography regardless of other scoring criteria. If participants in the review process are not each clear about the sequence of decision-making, who makes decisions at each level, and the impact of sequenced decision-making on funders who fall later in the decision-making pipeline, they may become frustrated with the process or the results.

- **Communicate results clearly.** Determine in advance who will be sending award and decline letters, in particular when portions of the same project will be funded through separate contracts (in the case of aligned funding). The letters must be clear about what has been awarded, with which funders grant agreements will be signed, and implications for not fully funding an applicant's request on the term of the contract, proposed budget, and proposed outcomes. It is also important to set a "cutoff" date for adding funders to each award cycle, to avoid confusion arising from multiple rounds of award letters for a single RFP cycle. Funders wishing to join after the final award decisions are made could be encouraged to join in the following grant cycle – or be matched with potential grantees after the first grants are awarded.

Assessment

- **Evaluate the projects.** Establish a standard approach to evaluating the funded projects, including measuring client outcomes. For example, the Funders Collaborative developed consistent reporting forms and is in the process of implementing common performance measures for PSH providers
- **Evaluate the process.** Take the time to review progress and established processes after the first year or two to consider which elements of the process will be kept moving forward and which should be modified or eliminated.
- **Determine the lifespan.** After an examination of the first year or two, determine the ongoing role of a collaborative in the community and in coordinating funding. If the organization is intended to continue long-term, additional infrastructure may need to be developed to staff the project or a unique identity may need to be created for a collaborative. As the project grows, it will be even more critical to ensure all participants are given equal credit for the success of the project.
- **Formalize the structure, while maintaining flexibility.** After working adaptively for a few cycles and modifying the participation approaches to meet additional funder needs, a collaborative may benefit from formalizing the ways in which funders have participated in the past and can participate in the future, using the flexibility and lessons-learned from the first years to inform the structure of future years. That said, maintaining flexibility even within a formal structure will ensure that the effort can adapt to the evolving funding environment and community needs.

Year Two and Beyond

Based on the success of the first year, the Conrad N. Hilton Foundation approved three years of continued funding for the Funders Collaborative. The Foundation plans to provide \$5.5 million over the three years, which will be matched by \$14 million from other private funders. In March 2013, the Collaborative released its second annual RFP continuing its focus on ending and preventing chronic homelessness through PSH. Recent additions to the Collaborative's focus areas include a "moving on" initiative, designed to help formerly homeless individuals ready to move out of PSH into a less supportive

permanent housing situation. Additionally, the Collaborative may begin making supplemental grants outside their primary grants cycle, and is testing this with a recent grant to support a Skid Row Coordinated Entry System pilot project.

For more information about the Funders Collaborative, contact:

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