Social Innovation in Los Angeles: A New Framework for Housing & Homelessness Interventions

Wednesday afternoon, 2:00 – 3:30 p.m.

In 2018 there were 52,765 individuals and family members experiencing homelessness in Los Angeles County, the second largest homeless population in the country. Over 35,000 people are unsheltered, living in tents, vehicles, or on the street. At the root of the homelessness challenge is the Los Angeles region's severe shortage of affordable housing, caused in part by a decades-long slowdown in construction of multifamily units. The L.A. Department of City Planning has projected a need of 82,000 new affordable units to meet the demand in the next decade. The shortage of units has caused rents to substantially increase over the past decade. Median rent is more than $1,300 per month, an increase of almost 15 percent from 2010. Further, almost 60 percent of Los Angeles residents are rent-burdened, spending more than 30 percent of their income on rent and utilities.

Traditional policy interventions alone cannot solve the housing insecurity felt by so many Angelenos. Rather, it's going to take a diverse portfolio of interventions that collectively operate in a broad, comprehensive social innovation framework that uses an iterative process of co-design, pilots, scaled intervention, and diffusion.

This panel discussion will explore social innovation approaches, including collective impact and pay for success interventions, that Los Angeles leaders are using to increase affordable housing and reduce homelessness in the region. Moderated by Dr. Gary Painter, Director of the USC Price Center for Social Innovation (the Los Angeles NNIP Partner) and the Homelessness Policy Research Institute, the panel features representatives from the Los Angeles Promise Zone, the Office of Los Angeles Mayor Eric Garcetti, and CSH (Corporation for Supportive Housing).

The Social Innovation Framework

The traditional social change model is typically very slow because of the model's conservative approach to risk, reliance on traditional definitions of expertise, and focus on sequential evaluation of new programs. The social innovation framework, pioneered by the USC Sol Price Center for Social Innovation, creates a new process that is more likely to uncover social innovations that lead to positive change.

A first key distinction in this model involves redefining who the "experts" are in the co-design process. The second step focuses on developing a series of small pilots where

rapid learning can occur. Starting small allows for testing multiple ideas and making adjustments that can identify more promising programs to be tested in those communities. Finally, evaluation methodologies include not only rigorous program evaluation tools, but also ones that account for a "portfolio" of interventions that are being tested in the community. Throughout this process, knowledge creation is continuously produced, providing an opportunity for rapid learning and improvement.

Below are three examples of how the panelists are using the social innovation framework to address the region's housing and homelessness crisis.

Collective Impact in the LA Promise Zone

The collective impact framework is based upon the understanding that no single policy, government entity, or organization can tackle or solve these deeply entrenched social problems alone. Moving beyond a partnership or collaboration, collective impact calls for a longstanding commitment between multiple organizations all working toward a common goal. The Los Angeles Promise Zone (LAPZ) is one of the region's most prominent collective impact organizations. The LAPZ works with government, local institutions, non-profit and community organizations to preserve, maintain and expand the supply of affordable housing, and end local homelessness.

Pay for Success in LA County

Pay for Success is an innovative approach to contracting social services that ties payments for service delivery to the achievement of a predetermined, measurable outcome. Doing so shifts the risk and uncertainty that discourages traditional funders from investing in new models to new investors. The new investor provides up-front capital to scale an evidence-based social program to improve outcomes for a vulnerable population, or to test a new model of service delivery. If an independent evaluation shows that the program achieved agreed-upon outcomes, then the investment is repaid by the government agency. If not, the investor takes the loss.

Los Angeles County launched its first pay for success program in 2017. *Just in Reach* will connect homeless, frequently incarcerated individuals to case management services such as mental health support and substance abuse treatment, education and employment services, and, ultimately, to 300 permanent supportive housing slots. The goals of *Just in Reach* are to improve the overall health and well-being of participants and to increase public and private collaboration to improve the lives of some of the most vulnerable residents with a focus on reducing rates of re-incarceration and ending the cycle of homelessness. Investors include the Conrad N. Hilton Foundation and United Healthcare.

A Portfolio of Local Policy Interventions

Los Angeles has implemented several new policies and programs in the last two years, designed to work together as part of a comprehensive strategy to increase affordable housing units and reduce homelessness. Both the City and the County of Los Angeles passed ballot measures to allocate significant funding to homelessness services and the development of new permanent supportive housing units. The City also passed ordinances to speed the development of permanent supportive housing and a linkage fee designed to raise millions of dollars each year for affordable housing. Implemented individually, these policies and programs might not have any measurable impact on the housing and homelessness crisis facing the region. But taken together, these investments represent a large-scale, comprehensive portfolio of interventions that can work together to increase affordable housing and reduce homelessness. However, it is challenging to develop an appropriate evaluation framework that accounts for risk and allows for successes and failures to be evaluated through an ongoing, iterative process, with the cooperation and input of trusted partners. Panelists will discuss this dilemma, as well as other challenges and opportunities found within social innovation work in Los Angeles.