

Nonprofit Finance Fund's \$10 million fund to spur homeless housing in L.A.



Photo credit: Russ Allison Loar

Jessica Pothering, February 24, 2020

Los Angeles' homeless population is on the rise. Nearly 60,000 people lack permanent housing in the Los Angeles metro area, whose homeless population is second only to New York City. More than 75% of L.A.'s homeless are completely unsheltered. Janice Hahn, a member of the L.A. county board of supervisors, went so far as to call for a "Marshall Plan to address homelessness."

Desperation is fueling a raft of new supportive housing projects, backed by government agencies, private investors and community organizations. To help these initiatives clear development hurdles, the Nonprofit Finance Fund has launched a \$10 million flexible loan fund for supportive housing developers.

“I’m surprised, that with all the money, investor interest, community finance lending, flowing into addressing the homelessness crisis in Los Angeles that there’s a gap for NFF to fill,” NFF’s Antony Bugg-Levine told ImpactAlpha in an email.

Developers are often able to secure financing for specific projects, but not general enterprise financing, which is needed to keep project planning and execution in motion.

The Accelerating Permanent Supportive Housing Fund will provide flexible loans that developers can use and reinvest in multiple projects over an extended period of time.

Backers of the fund include the California Community Foundation (CCF), the Weingart Foundation, and UniHealth Foundation. CCF, CIT Bank, and the Community Development Financial Institutions Fund chipped in grant funding. Credit enhancement from the foundations is “a good example of what it takes to do high impact impact investing in the ground,” says Bugg-Levine.

NFF has backed other permanent supportive housing initiatives, including Denver’s homelessness-focused social impact bond, as an approach to reducing homelessness.