

# Collaborative Funding to End Homelessness

## Considerations for Aligning Funding for Targeted Impact

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### What is Collaborative Funding? Key Definitions:

- **Pooled Funding:** A funding source created by multiple funders, each contributing dollars to a shared pot of resources that is utilized by a network of community partners toward shared interests and clearly established goals and measures.
- **Collaborative Funding:** Funders with shared interests and goals apply their individual funding allocations to a joint effort or issue.
- **Funders:** Individuals, corporations, government, or philanthropic entities contributing to the pooled and/or collaborative funds
- **Fiscal Agent:** The organization or entity that carries out the financial operations necessary to execute pooled/collaborative funding, which includes, but is not limited to:
  - Receiving funding from multiple private and public funding sources
  - Designing and implementing financial reporting and statements to all participating funders
  - Validating grantee financial information
  - Cutting checks to fund recipients
- **Backbone Partner:** The entity that oversees a place-based collective impact effort (in this case, the BFZ Model implementation in a city/state/region). As part of the backbone role, this partner is tasked with developing mechanisms for funding alignment and identifying and closing funding gaps for system-level impact. The backbone partner is well-positioned to facilitate collaborative and/or pooled funding through funder education, awareness, and relationship-building.
- **Grantee/Fund Recipient:** Organizations and providers who receive funds from the funding collaborative to carry out key activities to achieve the collective goals of the funding collaborative.
- **Built for Zero (BFZ) Model:** A set of strategies to end homelessness driven by a backbone partner (see below), and implemented by an accountable, community-wide team working in collaboration with on-the-ground partners. The team uses real-time data to establish shared goals and measure progress toward ending homelessness.

### Why a Collaborative Approach Now?

**Resiliency in a changing funding landscape:** Pooled funding is one tool to enable communities to ensure they can continue the core functions of the BFZ model in the face of a changing resource ecosystem. A shared pool of locally controlled resources gives systems greater autonomy to respond strategically and creatively to the needs of their communities in the face of funding cuts, changes, or delays.

**Leverage and coordinate government funding:** Housing and Urban Development (HUD) allocations of funding to each Continuum of Care (CoC) make up the largest portion of homeless response and coordinated entry system budgets. Additionally, Medicaid and state funding can be critical sources of funding for local CoCs. Collaborative funding would

not likely rival HUD, Medicaid, and other state funding programs in dollars. However, pooled resources can ensure investment in the capacity to implement key functions of the BFZ model, such as data and system coordination, and enhance flexibility. These critical capacities enable stakeholders to make data-informed decisions and better coordinate available government funding to make the most of their state and federal resources.

***Align and maximize private resources:*** Local philanthropy, faith-based, and other private contributors often *want* to contribute meaningfully to solving homelessness in their community, but their resources alone may not be at the scale needed to move the needle on large, system-level challenges. Instead, funders end up contributing to short-term, narrowly focused efforts. Pooled funding gives concerned funders a way to magnify their capacity and impact to address large-scale, sustainable solutions to ending homelessness.

***Impactful funding that follows best-practice:*** Through Community Solutions' funding programs, we've demonstrated the power of investing in system and data coordination, flexible funding in response to individuals' needs, and unrestricted dollars to test new ways of working that fundamentally change the way systems work. Concerned funders may not have expertise in the housing and homeless service sector, but want to confidently contribute to meaningful work to end homelessness. Designing funding collaboratives around best practices—with backbone partners guided by data and shared goals—allows funders to invest effectively without building topical expertise.

***Grantmaking efficiency for funders and potential grantees.*** When funders with similar interests pool their funding for longer-term or system-level investments, grantees (who would otherwise receive small grants from multiple funders) receive larger investments, experience streamlined reporting, and are more integrated into the big, system-change vision that the funding collaborative supports. Which, in turn, allows grantees to focus on implementation and the work they are experts at, rather than consistently applying for smaller, shorter-term funding and the related reporting.

**How Do Collaborative Funding Principles x BFZ Model Align?**

Funders contributing to pooled funding value both the grantmaking efficiencies and the investment impact they gain from a collaborative funding approach. The collaborative funding approach builds on the infrastructure, partnerships, and data that already exist within BfZ states, regions, and communities, creating both accelerated impact and efficiencies in reporting and in the capacity to implement the funded work.

| BfZ MODEL                                                                                                                                                                            | FUNDING COLLABORATIVE PRINCIPLE                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BfZ Aims &amp; Goal Setting:</b> Backbone partners facilitate a place-based, collective process for setting clear, measurable, time-bound aims and goals for ending homelessness. | <b>Clear purpose, goals &amp; timeline for results:</b> Funding collaborative participants could adopt the BfZ goals and aims to ensure shared expectations about funding outcomes and timelines. This alignment |

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|                                                                                                                                                                                                                                                                                                                                                                                              | ensures grant awards directly support system-level efforts to end homelessness.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Quality Data:</b> Backbone partners ensure that a robust data management system is in place to measure quality real-time data on homelessness.                                                                                                                                                                                                                                            | <b>Focus on outcomes-based resourcing:</b> The system-level data can serve both to inform funders on the current status of homelessness in communities, but also be a shared indicator to understand the contributions that the pooled funding is having on the focus populations. This enables the funding collaborative to invest in the community, state, or region's shared goal of ending homelessness without having to create its own frameworks, measures, and reporting structures.                                                                                                   |
| <b>Focus on System-level Capacity:</b> BfZ partners have built the dedicated capacity and infrastructure to carry out the system functions necessary to achieve the communities' goals to end homelessness. This infrastructure will require ongoing support to endure uncertain times and constrained resources.                                                                            | <b>Investing in infrastructure and ecosystems in uncertain times:</b> When federal policy and budgets are uncertain, the funder's best investment is in the resilience of an ecosystem of actors committed to an issue. This means not just money, but relationships, information, and collaboration across the organizations working in a given focus area or community. By partnering with the backbone organization and the network of partners they coordinate, the funding collaborative has a direct connection to the network of critical stakeholders in the homeless response system. |
| <b>Broad network of engaged partners with a shared continuous improvement mindset:</b> The BFZ backbone agency facilitates a network of partners implementing the critical work of solving homelessness. Through ongoing learning and rapid-cycle feedback and improvement, BfZ partners are adept at flexibly responding and adapting to community needs in a rapidly changing environment. | <b>Intentional and proactive learning from grantees and impacted communities:</b> Funders' ability to pivot strategies to reflect community need requires a feedback loop and relationships that take time and proximity to create. A funding collaborative that aligns its work with the backbone and its network has a built-in learning mechanism and community-level feedback loop.                                                                                                                                                                                                        |

### What Would it Take to Execute? Fiscal Agent & Backbone Partnership

Because backbone partners lead the BFZ place-based effort, they assume various roles around

setting goals, ensuring quality data, and coordinating funding and partnerships; they are uniquely positioned to facilitate the roles necessary for a funding collaborative. However, executing the fiduciary and reporting processes and procedures is a critical component of an effective funding collaborative; the backbone partner needs to be supported by a strong fiscal agent. Together, the backbone partner, funders, and fiscal agent can determine the roles and responsibilities to ensure efficiencies are built in for effective, collaborative funding.

| <i>FUNDING COLLABORATIVE ROLES RESPONSIBILITIES</i>                                                        | <i>FISCAL AGENT</i> | <i>BACKBONE PARTNER</i> | <i>FUNDERS</i> |
|------------------------------------------------------------------------------------------------------------|---------------------|-------------------------|----------------|
| → Clear award decision-making processes                                                                    |                     | ●                       | ●              |
| → Clear financial due diligence and documentation processes                                                | ●                   |                         |                |
| → Explicit alignment on strategy, impact measurement, and potential new partners                           |                     | ●                       | ●              |
| → A defined time horizon for the collaborative                                                             | ●                   | ●                       | ●              |
| → Alignment on confidentiality, publicity, and credit for work done                                        |                     | ●                       | ●              |
| → Robust internal (spend down, progress reports, etc.) and external communications and feedback mechanisms | ●<br>(INTERNAL)     | ●<br>(EXTERNAL)         |                |

### **In Practice: Los Angeles County Funding Collaborative**

Founded in 2011 with a \$1M challenge grant from Conrad N. Hilton Foundation, the group brings together public agencies and private philanthropy to invest in solutions to homelessness in L.A. County.

- The coalition promotes public and privately-funded opportunities to a broad network of individuals and organizations who regularly convene to discuss and align on the allocation of resources for housing and homelessness.
- Ultimately, the Funders Collaborative seeks to expand the resources available for pilot and proven solutions to homelessness; support grantseekers who are transforming the housing and homelessness space; and promote coordination of resources around strategies to end homelessness in L.A. County.
- Since its inception, the Funders Collaborative has raised and aligned more than \$62 million in private funding, leveraging more than \$5 billion in public resources.

### **Supporting Resources & Articles:**

- [The Rise of Collaborative Funding](#), Dorothy Johnson Center of Philanthropy
- [2025 HUD Appropriations](#), National Alliance to End Homelessness
- [Why and How Funders Work Together](#), Grant Craft
- [Collaborative Giving Guide](#), Rockefeller Philanthropic Advisors
- [How Philanthropic Collaborations Succeed, and Why they Fail](#), Bridgespan

- [Leading through Uncertainty: Three Questions for Funders](#), FSG