



MEDIA CONTACT: Lorena Alamillo

213-443-6953/lorena@vpepr.com

For Immediate Release

THE COMMITTEE FOR GREATER LA CALLS FOR AN OVERHAUL OF HOW THE CITY OF LOS ANGELES WORKS WITH NONPROFITS, REDUCING RED TAPE AND PAY DELAYS

The report focuses on actions the City can take to reduce unnecessary financial strain on the nonprofits it partners with to deliver critical services.

APRIL 5, 2023 (Los Angeles, CA) — The Committee for Greater LA (the Committee), a group of civic leaders working to advance system changes and dismantle institutional racism, today released *Resetting LA City to Meet Urgent Community Needs*, a report calling for an overhaul of how the City of Los Angeles works with nonprofits with the goal of eliminating unnecessary financial strains to the city’s nonprofit partners. In partnership with the Nonprofit Finance Fund and HR&A Advisors, the report reveals that nonprofits are unfairly burdened by cumbersome bureaucracy, delayed payments and underpayments, impacting their ability to meet increased demands for social and supportive services.

Nonprofits are vital to LA’s economic wellbeing, 23% of all city jobs are nonprofit jobs and they are critical in delivering much needed social and supportive services on the city’s behalf. Nonprofits have the community relationships and trust that allow them to deliver culturally sensitive and impactful services, which includes services for people experiencing homelessness, a priority issue for the city.

“The Committee for Greater LA is spot-on – Los Angeles nonprofits confront so many obstacles every day, but City bureaucracy should not be one of them,” said Los Angeles Mayor Karen Bass. “I am counting on nonprofits to be key partners in our work to urgently address homelessness and in so many other ways, but we will not be successful if they are burdened by unnecessary costs, red tape and delays. Nonprofits are also essential to the economic success of Los Angeles, so eliminating bureaucracy for them benefits us all.”

The report specifies immediate actions the city can take to eliminate the strain on its nonprofit partners. The recommendations include:

- **Pay Nonprofits on Time.** Establish a payment process where all city departments and offices pay nonprofits within 30 days.

- **Cut the Red Tape:** Streamline contracting processes. Expedite and fully fund the reform efforts of the Chief Procurement Officer to expedite and streamline contracting processes and accelerate development of the newer Regional Alliance Marketplace for Procurement (RAMP) system.
- **Pay Nonprofits Upfront:** Provide startup funds in a timely manner.

The report urges implementing changes to how the city works with nonprofits as an essential component to addressing the city's homelessness crisis. When nonprofits experience a delay in payments, the result is fewer transitional and supportive homes built adding to the backlog people can experience in accessing housing and vital supportive services.

"Nonprofits are essential to deliver on the promise of addressing homelessness in Los Angeles," said Miguel A. Santana, Chair of the Committee for Greater LA and President and CEO of the Weingart Foundation. "The recommendations of this report present an immediate, high-impact opportunity to improve the delivery of services to LA's unhoused residents, and the delivery of a number of other critical services across the city."

The report also highlights racial inequities in LA's nonprofit sector and provides recommendations for how the city can reduce barriers that BIPOC-led nonprofits encounter. As noted in an earlier Committee [report](#) on the state of LA's nonprofits, BIPOC-led nonprofits have smaller budget sizes than white-led organizations which is a barrier for current city contracting opportunities.

"BIPOC-led organizations are uniquely positioned to reach diverse communities, but when we are shut out of funding opportunities or burdened with delays in payments, it deepens existing inequities in our city," said Charisse Bremond-Weaver, President and CEO of the Brotherhood Crusade and member of the Committee. "This report is a step in the right direction to close racial gaps in how nonprofits gain access to resources. Ultimately, it means more people can get the vital support they need."

In developing the report, NFF surveyed and conversed with LA nonprofit leaders to understand their experiences within the particular context of LA and in comparison with nonprofits across the US. "This report represents the voices of more than 200 LA nonprofit leaders, and they're calling on us to remove unnecessary obstacles they face in delivering critical, frontline services," said Annie Chang, Vice President of NFF and Co-Author of the Report. "It's time to get them what they need."

The report offers strategies the city can implement to build relationships and access for smaller and grassroots organizations including partnering with intermediary organizations, and funding organizational infrastructure and capacity needs. The Committee will work with the Center for Nonprofit Management to further advance the recommendations in the report.

"LA Nonprofits have extended the safety net, and drive the social innovation and systems change essential to building an inclusive and thriving region," said Efrain Escobedo, President

and CEO of the Center for Nonprofit Management. “We look forward to working with the Committee because an equitable recovery requires that we find ways to reduce economic barriers for nonprofits and this report provides an excellent blueprint.”

The Weingart Foundation, The Mayor’s Fund for Los Angeles, The Eli and Edythe Broad Foundation, SoCal Grantmakers, the California Community Foundation, and The Smidt Foundation funded the report as part of their joint commitment to supporting Los Angeles’s nonprofits.

To read the detailed recommendations, please visit: <https://nogoingback.la/action-teams/nonprofit-action-team/>.

About the Committee for Greater LA:

The Committee for Greater LA assembled civic leaders at the start of the COVID pandemic to prioritize the recovery of LA County’s most marginalized communities. It is a cross-sectoral group of Angelenos who share a vision that our region’s response to the COVID pandemic can advance systems change and dismantle the institutions and policies that have perpetuated institutional racism. Its goal is sweeping systems change to ensure vulnerable and marginalized communities will be better off than they were before the crisis— there is #NoGoingBackLA. For more information, visit <https://nogoingback.la/>.

About Nonprofit Finance Fund:

Nonprofit Finance Fund® (NFF®) is a nonprofit lender, consultant, and advocate. For more than 40 years, we’ve worked to strengthen nonprofit organizations and improve the way money flows to social good. We believe that alongside others we must build a more equitable and just social sector, and are committed to helping community-centered organizations led by and serving people of color access the money and resources they need to realize their communities’ aspirations. Our [surveys, reports, and free tools](#) help nonprofits and their allies advance equitable practices. To learn more, visit <https://nff.org/>

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