*Urban Ventures Group, Inc.*

# Final Report

**Lessons from a National Scan of Comprehensive Place-Based Philanthropic Initiatives**

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# Foreword

This report is an attempt to distill useful knowledge and practical lessons on how to undertake place-based philanthropic grantmaking initiatives in geographically-defined community settings.  As others who have conducted broad-based reviews of this kind have discovered, the variety of purposes, approaches taken and local contexts presents some inherent challenges for those seeking to group cases together in a logical way, find common patterns across them, and lift up strategies and practices that have worked and produced results.  Our aim in this national scan has been to be selective rather than exhaustive, keeping in mind that the "right" pathway through this large and growing philanthropic field will depend ultimately on the particular goals and purposes of the funders and/or architects of an initiative within a unique context.

Our approach is twofold: First, we profile a set of comprehensive place-based initiatives that exemplifies seven distinctly different  approaches; the profiles are presented in a way that enables comparisons to be made in their purposes, key design attributes, and results achieved.  Second, we draw from these seven cases and another dozen cases to lift up significant themes, practices and specific guidance related to (1) community engagement and capacity-building; and (2) managing initiative implementation – including topics related to partnering; learning, data and evaluation; and grantmaking and financial investment strategies.  Then we conclude with several broader lessons from the scan that we believe have relevance for the Heinz Endowments and other funders who may be considering developing or expanding their place-based strategies.

This national study of place-based philanthropic initiatives could not have been completed without the generous support and practical guidance provided by staff of the Heinz Endowments, who offered specific advice, prioritized issues of interest, helped us to set our course at several points in the scan, and participated in learning sessions and site visits to probe more deeply into particular cases included in this report.  To all the staff we offer our profound thanks, and especially to Eric Stoller who had the sometimes challenging job of serving as the principal liaison between the Heinz Endowments and us.  We also wish to thank four individuals – Tom Dewar, Craig Howard, Sandra Jibrell and Bill Traynor – who generously contributed their expertise in two learning sessions, and Roque Barros of the Jacobs Family Fund, who skillfully organized a site visit to San Diego's Market Creek initiative.  Finally, we acknowledge the assistance provided by so many other colleagues who so promptly responded to our requests for information and offered updates on the status of many of the place-based efforts mentioned in this scan report.

We know that the completion of this study was enormously helpful, as well as challenging, for us in framing our own thinking about the current state of the field and drawing critical connections between goals, design, implementation and results.  We hope that it also proves just as helpful to the Heinz Endowments as it embarks on the next steps in framing and launching a new targeted comprehensive initiative in Pittsburgh.


Tom Burns                                                                      Prue Brown

# Table of Contents

# 1. Introduction and Overview of the Scan

In 2010 The Heinz Endowments began a discussion about foundation-supported place-based initiatives. Early in 2011 it sought assistance from consultants Tom Burns and Prue Brown in undertaking a national scan of the most effective philanthropic practices directed toward comprehensive community revitalization of impoverished neighborhoods. The goal of the scan was to look critically at a broad array of efforts, both successful and unsuccessful, in order to inform possible development of a place-based strategic grantmaking initiative by The Heinz Endowments.

## Defining the Assignment

We began the project with an assumption that for the results of the scan to be useful and informative for The Heinz Endowments, it should be guided by a well-defined conceptual framework that (1) focuses fieldwork on a set of place-based initiatives that are most likely to be relevant to the type or types of community-focused grantmaking strategies the Endowments may be considering; (2) groups initiatives that share similarities in contexts, purposes and change theories; and (3) organizes the information gathered to capture some of the finer-grained features of individual initiatives that are so critical in identifying the more practical lessons related to each initiative's design and execution. As we moved into the work and better understood the Foundation's goals, we adjusted the workplan somewhat around a series of topics that were driven by our understanding of where the Foundation was in its thinking and the types of knowledge that would be most helpful in framing how it moved forward with a new initiative in Pittsburgh.

The structure of this report reflects the evolution of the project. It is a product of two parallel approaches that proceeded in tandem and informed one another. One track of the work included an evolving review of the current state of knowledge about place-based initiatives, drawing from both published reports and evaluation documents and from our own direct experience with such initiatives. The other track involved a series of engagements with staff of The Heinz Endowments in three structured working sessions that addressed key design and implementation questions.

Held at the Endowments, the first two sessions focused on lessons about (1) strategic design choices and (2) entering and engaging a community. We prepared an analytic briefing report and invited two outside guests to each of these sessions in order to bring diverse perspectives and on-the-ground experience to the discussion. The third working session, focusing on implementation, involved the leadership and senior staff design team from Heinz in a site visit to the Village at Market Creek, a comprehensive community initiative operating in San Diego since 1995. In this session, we delved more deeply into how the strategic design choices were made, what has been achieved programmatically, what roles the funder and community stakeholders have played over time, and where the work is headed.

## Locating the Scan within the Broader Context of the Field

Several recent reviews of foundation-supported place-based initiatives shaped how we approached the scan (Trent and Chavis, 2009; Kubisch et al., 2011; Bridgespan, 2011). Most importantly, the Aspen Institute Roundtable on Community Change reviewed 48 place-based initiatives and produced a volume, **Voices from the Field III** (Kubisch et al., 2010) that synthesized lessons from two decades of community change efforts. A key finding was that while these initiatives had produced some tangible outcomes— such as providing more and better services, building housing, developing leadership and organizational

capacity, and leveraging new resources—they have not transformed neighborhoods, stimulated population-level change or triggered system reform as those involved had hoped. The authors conclude that doing this work more effectively requires greater clarity about goals and theories of change; more intentionality regarding scale, partners, level of funding and time frame; a commitment to more robust systems of data feedback and adaptive learning; more emphasis on parallel policy and system level work; and enhanced alignment, both internally within the community initiative and externally with public and private partners.

Reflecting a general consensus among funders and practitioners, these broad lessons from **Voices III** are being operationalized in different ways and incorporated into the design and implementation of much current work. Over the last decade, for example, funders have increasingly used theory of change or logic modeling to align their goals, strategies and timelines more clearly and realistically with intended outcomes; built a greater capacity to use data to track progress; engaged and leveraged multiple stakeholders and partners in the work; and devoted more attention to issues of scale and sustainability.

Continued interest in place-based work is reflected in the emergence of:

❑ New national networks of like-minded initiatives, such as Promise and Choice Neighborhoods, LISC's Sustainable Communities, Living Cities Integration Initiative, Purpose Built Communities, and Strive;

❑ New regional initiatives, such as the California Endowment's 14-site Building Healthy Communities;

❑ New initiatives supported by family foundations, such as DeVos in Grand Rapids, Zilber in Milwaukee, and Wean in Mahoning Valley, and by private foundations, such as Skillman in Detroit and EOS in Boston;

❑ New public/private hybrid initiatives like First 5 LA in Los Angeles and the Children's Services Council in Palm Beach County; and

❑ More attention to community roles in transit-oriented development as in the Great Communities Collaborative in the Bay Area and the Fairmont Corridor Collaborative in Boston.

At least two challenges complicate assessing "what works" in this diverse set of place-based approaches:

❑ First is the common problem of comparing results across initiatives with different goals and approaches being implemented in very different kinds of communities. Coulton (in **Voices III,** p. 116) underscores the challenges of learning what works given the "unwieldy variation" across community change initiatives housed within a "very big umbrella." What seems like a promising approach in one community might fail miserably in another due to history, capacity, political dynamics, or leadership. An economic or physical development strategy might be the best lever for broad change in one place, while in order to establish community ownership and sustainability, a family services or neighborhood safety entry point might be more successful in another community.

❑ Secondly, funders have increasingly recognized that how they go about the work—how they enter and engage the community, how they manage the work, how they evaluate success—may be as important as what they actually fund. In other words, two funders with different approaches and capacities could support the same program strategies with different results.

These challenges are not meant to imply that there are no broader lessons to be learned or "best practices" regarding both programmatic strategies and foundation approaches. Perhaps the more

important implication is that success in philanthropic place-based work is more a function of the *alignment across five factors* than of any one factor alone. These include:

- ❑ The community's goals, history, assets and capacities;
- ❑ The foundation's goals, history, assets and capacities;
- ❑ The design and program strategies adopted for the work;
- ❑ The resources and actions of multiple public and private actors and potential partners; and
- ❑ The larger economic, cultural, environmental and political context.

## Organization of the Report

The diversity of the pool of place-based initiatives and the challenges inherent in making specific and useful cross-initiative comparisons shaped how we decided to organize the scan and report on it here. Instead of lining up a set of diverse initiatives and trying to compare them (like apples and oranges), we have selected three key developmental tasks for funders making place-based investments: addressing essential design choices, entering and engaging the community, and managing initiative implementation. What follows is a chapter on each of these tasks in which we draw upon relevant literature and use examples from existing initiatives to compare strategies and illustrate best practices and challenges. At the end of each chapter we make a couple of observations and pose some questions for funders. The report concludes with a chapter that draws broader lessons for The Heinz Endowments as it considers next steps regarding its potential place-based work.

As indicated above, each of the next three chapters cites a number of place-based initiatives. Given the large number of such initiatives, past and present, we selected examples with the following guidelines in mind:

- ❑ First, we wanted to make the scan relevant for Heinz so we focused primarily on foundation-designed and supported initiatives. Many of these initiatives leverage public funding, but we do not include major federal, state and city-designed and financed place-based initiatives in the scan. Nor does the scan devote much attention to community revitalization efforts that are not externally catalyzed by a foundation or intermediary. Such indigenous change efforts that emerge from within the community may or may not approach foundations for support. (Dudley Street Neighborhood Initiative in Boston and New Song in Baltimore are such examples discussed later in this document.)

- ❑ As we learned more about The Heinz Endowments, it became clear that the initiative would benefit from the substantial funding expertise and experience in the Foundation's existing five program areas (ideally connecting them where useful). The Endowments did not envision operating all aspects of the initiative on its own, as have the Steans Family Foundation in Chicago and the Jacobs Family Foundation in San Diego with their place-based initiatives, nor handing off the entire operation to an intermediary, as Robert Wood Johnson did for the Urban Health Initiative and the MacArthur Foundation did for the New Communities Program. So while the scan includes initiatives that illustrate the entire spectrum, it favors inclusion of "hybrid" initiatives where foundations both play an active role and work alongside partners and intermediaries on specific initiative components.

- ❑ We tried to select initiatives for which good information was available from their designers or evaluators and/or from our own experience. Unfortunately, high quality evaluation reports have not been available for many past initiatives: independent evaluations are not conducted for some initiatives; others do not make their reports public; and still others are filtered through the funder or intermediary's screen and lack candid assessment and useful information. More

recent initiatives have begun to invest more in evaluation and learning, but the lack of data about long-term results definitely limits the conclusions that can be drawn at this point about relative effectiveness. Nonetheless we do reference initiative reports and websites for readers who want to look at available information in more depth.

## 2. Strategic Choices that Shape Place-Based Initiatives

Place-based initiatives involve a unique collection of strategic decisions about the problem or issues to be addressed, and about how "place" is defined, what the strategy includes, how it is structured and implemented, and how success is defined and measured. These design choices are embedded in a set of assumptions or a logical framework that connects the initiative's stated purpose to its strategies and the intermediate and longer-term results that are expected. These theories of change or logic models play a central role in guiding decisions about design, but many other factors also play an important role.

Design choices are the theme of this chapter. Our approach to examining the critical decisions that shape place-based initiatives is to profile a range of different strategies, thus illustrating the truly broad variety of options available to funders, intermediaries or funding collaboratives. In offering this selection, we are not seeking to recommend or promote any particular approach but rather to call attention to significant design differences. We pay particular attention to the different options funders have used to structure and manage their roles in the initiative because choices here have significant implications for how the community is engaged and how the initiative is managed down the road.

### Varieties of Place-Based Strategy

One reason place-based initiatives vary so much is because they are typically responses to conditions within specific local settings – they are shaped by particular circumstances and, often, quite unique issues and opportunities. Appreciating these **contextual influences** is certainly helpful in understanding what a program's designers aim to achieve, how the strategy evolves, and what it accomplishes.

Beyond these context factors, every initiative requires numerous additional programmatic decisions. These **design choices** are largely the prerogative of the initiative's architect and reflect different assumptions, values, priorities and stylistic emphases. These additional choices about program are often as significant as the local context in giving each strategy its unique character.

Because the field of place-based grantmaking continues to expand, there are now dozens of philanthropic place-based initiatives available for study, with new initiatives appearing each year. The seven initiatives we include in this chapter were picked to illustrate the wide range of approaches that funders and intermediaries have taken. Together they represent most of the major "families" of place-based initiatives within the field. Included are relatively "mature" initiatives as well as a couple more recent ones.

### Examples of Place-based Initiatives

❑ **Good Neighborhoods/Good Schools (Detroit).** This ten year, $100 million initiative in six Detroit neighborhoods is representative of the set of initiatives that take a place-based approach to improving individual outcomes at a population level, whether it be rates of employment, high school graduation rate, or children's health. In the Skillman Foundation's

case, the goal is to significantly increase the number of youth who are safe, healthy, well-educated and prepared for adulthood.  The initiative involves a range of strategies including neighborhood and youth development, school improvement, and policy and system change to promote positive youth outcomes.

❑ **Strategic Initiative Neighborhoods (Cleveland).**  This targeted investment approach in six distressed Cleveland neighborhoods is one of the most advanced versions of the CDC-centered, physical development strategies that have been broadened to include more comprehensive investments in schools, safety and commercial revitalization.  The approach is similar to other initiatives that promote income diversity and housing choice and that enable neighborhoods to become more competitive and attract new private investment from within the city and region.

❑ **Woodward Corridor Initiative (Detroit).**  This new initiative in Detroit's strategically important Midtown neighborhood is one of five sites selected in 2010 for support as part of the Integration Initiative launched by the national Living Cities funding consortium.  It involves a complex set of collaborations among philanthropic, governmental, nonprofit and community partners that are designed to bring about broader system reforms while also yielding measurable results in two adjacent but economically and demographically different neighborhoods near a concentration of anchor institutions (including Wayne State, Henry Ford Hospital and the Detroit Medical Center).  With a strong focus on repopulation and mixed-income, it is representative of other comprehensively-designed "Ed's and Med's" strategies such as the one that continues in the neighborhoods surrounding Philadelphia's University of Pennsylvania.

❑ **Mahoning Valley Capacity Initiative (Eastern Ohio).**  This regional capacity and institution building strategy led by the Wean Foundation is focused on two Ohio counties hard-hid by the decades of population loss and dramatic decline of the area's auto-related industries.  The broad-based strategy is heavily influenced by the PolicyLink regional equity frame.  It includes flexible funding investments aimed at building an infrastructure of community institutions that are able to engage local stakeholders in framing a more integrated vision of the region's future and catalyze investments in a "transformative" economic development agenda.

❑ **New Communities Program (Chicago).**  This large-scale, comprehensive community development initiative is a replication of the innovative CCRP initiative of the 1990s in New York's South Bronx.  It serves as the model for LISC's national Sustainable Communities strategy now being implemented by several local LISC programs across the country.   With deep support from the MacArthur Foundation, NCP is being implemented in 16 Chicago neighborhoods through a model that includes strong support for community-based lead organizations, a deep investment in neighborhood-based quality of life plans that set the agenda for a growing variety of project and program investments involving collaborations among many local partners.

❑ **Village at Market Creek (San Diego).**  The Jacobs Family Foundation's place-based strategy is an example of several initiatives operated directly by foundations or their operating vehicles.  It is focused on a well-defined commercial and cultural center adjoining several San Diego neighborhoods.  Two distinctive features are: 1) a community wealth strategy that includes a direct community ownership stake in the economic success of local real estate developments and 2) a participatory ethic that translates into all work being planned and implemented by working teams of foundation staff, residents and other community stakeholders.

❑ **East Lake (Atlanta).**  This initiative is the prototype for a network of "Purpose Built Communities" that share a holistic model of community revitalization.  Typical elements of this model include mixed-income housing, cradle-to-college educational opportunities, youth and

adult development programs, jobs and job training, health and wellness programs, transportation access, recreational opportunities and commercial investment. The C.F. Foundation in Atlanta was the impetus for East Lake's significant transformation from a troubled public housing site to a thriving mixed-income development.  The East Lake Foundation, created by the C.F. Foundation, is the operating vehicle through which the investments have been made.

Using a comparison table format, we have included on the following pages a set of profiles for each of these seven initiatives.  These overviews illustrate some of the distinguishing design differences in light of the different foundations' purposes and important context factors.  We have approached each initiative with the goal of distilling three types of information:

❑ **Defining contextual factors.**  Each initiative begins with a brief overview of the important factors that set the stage for the initiative and the starting conditions that influenced the approach followed.  Our goal is to highlight the "givens" such as what problems the initiative chose to address, the particular issues or opportunities that were at play, and the unique history and culture of the funding organization or organizations.

❑ **Design choices.**  Next we consider a set of design decisions that gave the initiative its distinctive character and that established the parameters within which it operated and the types and extent of results it aimed to achieve.  We view these choices as the deliberate decisions made by the funding entities about how investment dollars were deployed to achieve an intended result within a defined geographic community or target area.  Here we highlight five key arenas in which choices were made:

  ▪ **Initiative definition** – including decisions about *geography* (for example, scale and "sharpness" of target area boundaries), *target population* (for example, measurable changes in individual outcomes within a defined population vs. more comprehensive "quality of life" improvements that benefit residents and other stakeholders), and *strategic focus* (for example, a pre-determined program approach vs. one that is more organic and open to determination by the target community).

  ▪ **Funding and resource leverage** – including decisio*n*s about annual levels of grant funding, amount and type of leverage.

  ▪ **Foundation role** – including decisions about the degree to which the funding entity or entities chose to be hands-on and "operational" rather than working through designated intermediaries and lead organizations, and the degree of funder involvement as a convenor or catalyst of other system players.

  ▪ **Relationship to community** – including decisions about the extent of community stakeholder involvement in shaping the initiative and the types of process and governance structures used to secure engagement (e.g., community visioning or planning, neighborhood intermediary or convening organizations, collaboratives, membership approaches, or "merged team" decision structures).

  ▪ **Data, evaluation and learning** – including funder decisions about data gathering and measurement, internal and external learning activities, and an evaluation or learning partner.

❑ **Results achieved.**   Finally, we summarize progress made toward initiative goals, drawing from available assessments or other program documentation.

*Initiative Profile:*
# Good Neighborhoods/Good Schools (Detroit)

**Initiative Overview**

Launched in 2006, GN/GS is a ten-year $100 million initiative that aims to transform communities with children in the most need and with the least resources into healthy, safe and supportive neighborhoods. GN/GS has three phases: planning (2006-7), readiness (2008-2010), and implementation (2011-2016). Foundation strategies focus on neighborhood and youth development, school improvement, and policy and system changes to promote positive youth outcomes.

**Lead Funder/Implementing Partner**

The Skillman Foundation is the lead designer and funder for GN/GS, along with two key implementation partners for the neighborhood work, the National Community Development Institute (organizing) and the University of Michigan School of Social Work Technical Assistance Center (training/TA).

**Target Areas**

Six neighborhoods selected with high concentration of youth (about 30% of all youth in Detroit), low-income status, and the presence of assets that could be maximized to enhance the well-being of children.

**Goals and Intended Results**

Skillman's goal is to ensure that youth living in the six target neighborhoods are safe, healthy, well-educated and prepared for adulthood. Because these four youth outcomes change slowly over time, the Foundation has identified a set of 2016 goals that, if accomplished, would likely reflect progress toward achieving these long-term outcomes.

**Defining Contextual Factors.** Established in 1960, Skillman's mission is to improve the lives of children in Detroit. In the mid-2000s Skillman moved from responsive investments focused on education and child and family programs toward a new strategy to "change the odds for kids" in Detroit, by: 1) targeting its resources in six neighborhoods, and 2) broadening its own role to become a more powerful force for children. Its place-based approach is complemented by policy and system-wide strategies to create conditions under which youth can thrive.

**Design Choices**

**Initiative definition.** The dire economic and social challenges facing Detroit combined with a low-performing school system has led to poor educational outcomes for youth and a sense of urgency among Skillman and its many partners. As an embedded funder, Skillman has rich networks and a longstanding reputation in Detroit as a trustworthy and respected partner committed to children. The city's capacity is generally weak but there has been increased national attention on Detroit, including from the federal government.

**Funding and resource leverage.** From 2006-2010, Skillman made grants totaling $46 million in GN and $12 million in GS. During this time, a Community Connections Small Grants Program made 412 grants totaling $1.5 million across the six neighborhoods. The Foundation set a leveraging goal of 5:1 and has, to date, achieved 6.3:1. It has also effectively brokered various state and federal resources, as well as national foundation grants, with funding opportunities in its target neighborhoods.

**Foundation role.** The Foundation has made a range of internal changes to build its capacity to implement GN/GS including new staff roles and practices, communications capacity, new ways of engaging trustees, etc. It has also leveraged its own reputation and civic capital to advance its agenda for children. This "changemaking" role is new for Skillman, involving work, formally and informally, to align diverse interests and players around a common agenda, develop support for change and mobilize political will, and find new ways to share responsibility and accountability.

**Relationship to community.** The central belief that meaningful resident engagement and leadership are critical to sustainable results has led to deep investments in community participation and creation of resident-stakeholder partnership groups in each neighborhood. Two other leadership development opportunities include: a small grants program that engages residents as grants review panelists; and a Leadership Academy. Youth are engaged at all levels.

**Data, learning and evaluation.** Skillman has placed a high value on becoming a learning organization. It has made a major investment in helping start a new data intermediary (Data Driven Detroit) and a set of external evaluations of its work including assessment of its own performance. The evaluation uses a theory of change framework as well as performance monitoring toward specific 2016 goals.

**Results Achieved**

The readiness phase of GN/GS has recently been completed: new organizational capacities and leadership exist in the neighborhoods, new youth development intermediaries have been established to build the system of supports and opportunities for youth in each neighborhood, a new citywide organization—Excellent Schools Detroit—has been established to work on school reform. Skillman is working to better integrate its schools and neighborhood strategies and strengthen its policy agenda. Particular accomplishments to date include new youth service "hubs" in several neighborhoods, new or improved high schools, significant resource leveraging, and

*Initiative Profile:*

# Strategic Initiative Neighborhoods (Cleveland)

## Initiative Overview

Beginning in 2005, Neighborhood Progress, Inc. (NPI) introduced a more targeted, comprehensive and market-driven investment approach in six neighborhoods as a complement to its well-established citywide program of operating support, technical assistance and real estate project financing for CDCs. This approach, called Strategic Initiative Neighborhoods (SII), included increased resident engagement and neighborhood planning, more investment in larger-scale real estate projects, and the introduction of strategies to address issues of crime, environment, school quality and other neighborhood quality of life concerns. The initiative continued through 2010, and is ongoing although with some changes in emphasis following a leadership transition at NPI.

**Funders/implementing partner.** SII was designed and implemented by NPI, Cleveland's established local community development intermediary, with support from the Cleveland, Gund and Mandel foundations.

**Target areas.** Six Cleveland neighborhoods. All the target areas chosen are distressed communities with significant levels of poverty and disinvestment.

**Goals and intended results.** NPI's key goal was to work with CDC partners to implement broader "neighborhood recovery" strategies aimed at strengthening localized markets and creating "neighborhoods of choice" that would be better able to attract residents and businesses from throughout the region.

**Defining contextual factors.** One key factor was Cleveland's well-developed and supported community development system led by CDCs. The SII was designed to build on the system already in place and demonstrate the potential for moving beyond the "neighborhood stabilization" strategy that had existed from the early 1990s. Another key factor was an unusually broad civic commitment to neighborhood stabilization and improvement as a critical part of Cleveland's overall economic recovery. A third was a stable and interconnected network of urban professionals linking NPI with local government, the foundation community; neighborhoods and other civic institutions.

## Design Choices

**Initiative definition.** Target areas for investment were carefully defined to take advantage of prior NPI and CDC real estate investments. The strategy was also designed to complement other new public investments in infrastructure, schools and commercial areas. NPI staff played an active, hands-on role working with CDC partners to shape each strategy to ensure it had market impact. The selection of neighborhoods placed considerable emphasis on proven CDC capacity.

**Funding and resource leverage.** Annual support for each neighborhood from NPI ranged from $200-300,000 annually (but these funds complemented other public support to participating CDCs). Other resources were attracted to some neighborhoods and program areas from investors including Surdna, the St. Luke's Foundation and others, but the core program investment was covered by local funders. The strategy built off other public and private investments in the neighborhoods. NPI staff also worked on building broader civic partnerships and innovative policies to support the targeted investments and strengthen the community development system.

**Foundation/intermediary role.** The local funders' involvement was largely indirect through their grantmaking to NPI as their intermediary. However, the core funders were simultaneously making additional grants to other neighborhood agencies through programs of their own. Leadership for the SII initiative was clearly under the leadership of NPI. Intensive NPI staff support, funded through the initiative, was a central feature of the approach. . Staff also played lead roles in new vacant land management (e.g., the Surdna-supported Reimagining Cleveland initiative to repurpose vacant land for greening), land disposition, and foreclosure prevention.

**Relationship to community.** NPI worked in partnership with neighborhood-based CDCs as the established community-based planners, conveners and agenda-setters for their respective target areas. NPI was actively involved with the CDCs in defining appropriate target areas and in negotiating funding for specific programs and projects. However, the neighborhood planning and decision-making role rested with the CDCs.

**Data, learning and evaluation.** NPI invested in neighborhood data gathering and made good use of data in determining target area boundaries and tracking project outcomes as well as demographic and market changes. There was no formal evaluation but NPI did draw on advice and assistance from outside advisors in shaping the strategy and encouraging CDC learning.

## Results Achieved

Five years after the introduction of the SII strategy in 2005, the initiative claimed the following results: (1) improvements to more than 300 Model Block homes; (2) increased community engagement in the six SII neighborhoods; (3) new schools, a library and recreational investments; (4) new green spaces, trails and public art; (5) anchor projects that have created 1,218 units of new and renovated housing, a new arts district, and additional institutional investments; (6) more than 850,000 square feet of new and renovated commercial space; and (7) neighborhoods that were shown to be more stable during the period of the recession and foreclosure crisis from 2007 to 2009.

*Initiative Profile:*
# Woodward Corridor Initiative (Detroit)

### Initiative Overview

The Woodward Corridor Initiative was launched in 2010 as an ambitious new partnership of philanthropy, local anchor institutions, city and state government, neighborhood nonprofits and the private sector.  A key part of the strategy is the stabilization and repopulation of two neighborhoods along this critical corridor where many of Detroit's educational, health and cultural institutions are concentrated.  The Initiative includes multi-year investments in housing, schools, employment, neighborhood safety and small business opportunities.  It is designed to show what this strategically important area can become, while also bringing about the alignment of resources and system and policy changes needed to achieve transformative urban change.

**Lead funders.**  A collaborative of local funders, institutions and government under the leadership of the Kresge and Skillman Foundations, with national support from the Living Cities Integration Initiative.

**Target area description.**  Two adjacent but economically and demographically different neighborhoods, Midtown and North End, located along the Woodward Corridor in central Detroit.

**Goals and intended results.**  To capitalize on the economic strength of local anchor institutions, new public transit improvements and proximity to downtown to create a "new, more densely-populated regional hub with new economic activities and more residents."  New investments in housing, jobs, schools and businesses are designed to make the area more regionally competitive, benefitting existing residents and drawing new families and young professionals back to the city.

**Defining contextual factors.** One major defining factor is the concentration of anchor institutions (including Wayne State, the Henry Ford Hospital and the Detroit Medical Center).  Another factor is a planned light rail project along the corridor linking the target area with the nearby downtown and the suburbs to the north.  A third is the strategic and symbolic importance of this target area in demonstrating Detroit's capacity to stabilize and rebuild its urban core.  A fourth is the opportunity that Living Cities participation offers to stimulate greater alignment across the sectors involved.

### Design Choices

**Initiative definition.**  Key design features include: (1) the creation of a Governance Council structure with representation from all the implementing partners; (2) the selection of two key community-based organizations to lead the effort in their neighborhoods, and (3) the strong influence of Living Cities principles of cross-sectoral alignment, a clear theory of change and an emphasis on broader system change.

**Funding and resource leverage.**  The funding strategy includes a combination of grant and loan funding from both local and national sources.  The total level of support is still evolving and thus difficult to quantify.  The Living Cities portion of the funding during the first three-year phase is expected to include up to $3 million in grants, $3 million in PRI investments, plus a share of a $50 million commercial debt pool provided by financial institutions participating in the collaborative.  Additional local funding is expected to be equivalent or larger.

**Foundation/intermediary role.**  The local funders participate in the Governance Council with other implementing partners.  Once of the two neighborhood organizations is currently functioning as the lead implementing/ coordinating agency and has received significantly more staffing to enable it to play that role.  The national Living Cities staff play an active oversight and advisory role and are in regular contact with this and other local sites.

**Relationship to community.**  The two community-based implementation partners are mainly responsible for maintaining connections to residents and other community stakeholders.  Local planning and consultative processes provide the principal channels for community input.  Currently there are no formal seats on the Governance Council for community representatives.

**Data, learning and evaluation.**  The WCI includes a two-tiered evaluation structure including both local and national evaluation teams.  The Detroit site also participates in twice annual convenings of the five sites participating in the national Living Cities Integration Initiative. In addition, there is a local citywide data partner with ongoing data-gathering responsibilities for the initiative.

### Results Achieved

Although it is too early to report on results, the programs and investments now in place are designed to achieve concrete, measurable results over approximately six years.  For example, the Initiative aims to attract 10,000 new residents to the target neighborhoods, engage anchor institutions in developing at least $10 million in new vendor and supplier opportunities for Detroit businesses, create new entrepreneurial opportunities for residents through better access to business services and new investment capital, produce new housing for existing and new residents, establish a Community Land Trust to manage land for development, and increase economic opportunities for residents through improvements in education and workforce development.

*Initiative Profile:*
# Mahoning Valley Capacity Building Initiative (Youngstown and Warren Ohio region)

## Initiative Overview
Since 2006, the grantmaking strategy for this initiative has transformed the Wean Foundation from a family-focused foundation to an innovative regional leader and convenor responsible for an expanding array of economic and community development investments to revitalize the two-county area in Northeast Ohio. The Capacity Building Initiative s focused on "the equitable renewal of the Mahoning Valley and the expansion of economic and social opportunities for its residents." The Foundation works through grant making, convening, advocating and providing leadership with a focus on economically disadvantaged people and neighborhoods.

**Funder.** The Raymond John Wean Foundation in partnership with several other local funders and government agencies.

**Target area.** The two-county target area includes a population of approximately 600,000 residents; of that total, 70,000 live in Youngstown and another 45,000 live in Warren.

**Goals and intended results.** The Mahoning Valley Initiative is less formalized than other place-based initiatives and thus far the investments made have included flexible operating and program support aimed at building an infrastructure of community institutions that are able to engage area residents and local stakeholders in framing a more integrated vision of the region's future, building collaborations, and catalyzing investments that strengthen the regional economy and provide jobs and opportunities for residents.

**Defining contextual factors.** The most significant defining factors for this initiative is the dramatic loss of jobs and population in the two-county area, particularly In the City of Youngstown. The Initiative is intended to create a compelling new vision for the transformation of the regional economy along with the collective capacity to work on concrete strategies consistent with the new vision. Another defining factor is the regional equity framework introduced to the area through the important framing and organizing work conducted by PolicyLink during 2006-2007.

## Design Choices

**Initiative definition.** The Initiative is a "loosely prescribed" design that was shaped over time by the Wean Foundation's executive director working closely with its board chair. An important early investment was made in community engagement to frame the overall strategy. Then the Foundation made adjustments in current grantmaking along with a series of new investments aimed at bolstering the capacity of key nonprofits and strengthening relationships with local governmental entities. The newly created Mahoning Valley Organizing Collaborative functions as an important convening organization for ongoing community engagement activities.

**Funding and resource leverage.** The Wean Foundation grants of approximately $4 million annually to a network of nonprofits involved in the economic and social development of the two-county target area. The Foundation works with local nonprofit and government partners in attracting additional governmental and philanthropic support for projects and activities consistent with the equitable development framework guiding the initiative. No estimate is currently available of the total amount of additional resources attracted.

**Foundation role.** The foundation plays a very direct hands-on "beyond the money" role in guiding and aligning activities and investments of its key grantees. This involves frequent contact and coaching with the key nonprofit partners, other local philanthropies, and local government officials. For example, the foundation led a cross-sector delegation of local leaders to seek increased federal government support for economic development in the region.

**Relationship to community.** The key connection to the community is through the activities of the Mahoning Valley Organizing Collaborative. Other connections are made to civic, business and community leaders through the board leadership of existing and newly created nonprofits – for example the Youngstown Neighborhood Development Corporation and a similar organization developed in the City of Warren.

**Data, learning and evaluation.** There is no formal evaluation of the Initiative. However, the Wean Foundation has encouraged continuous learning by supporting outside consultants and assessment activities to introduce new thinking into the local environment. In addition to the early work by PolicyLink, the strategy has benefitted from advice provided by Brookings, the Corporation for Enterprise Development and others.

## Results Achieved

There is early evidence of increasing capacity and collaboration among the key nonprofits receiving support through the initiative; closer working relationships developing among community and business leaders and local government; and policy changes such as the creation of a community land bank. It is still too early to report on major new economic development investments.

*Initiative Profile:*
# New Communities Program (Chicago)

## Initiative Overview

The New Communities Program (NCP) is a long-term (ten year) initiative of Chicago LISC to support comprehensive community development in Chicago neighborhoods. The initiative was formally introduced by Chicago LISC in 2005 with strong backing from the Mayor and generous funding from the MacArthur Foundation and LISC.. Additional resources continue to be attracted to support the program's implementation.

**Funder/implementing partner.** Chicago LISC implements the initiative in partnership with the MacArthur Foundation.

**Target areas.** NCP is focused on 16 Chicago neighborhoods. The combined area covers a large portion of Chicago's South, Southwest, West and Northwest sides.

**Goals and intended results.** The program's goal is to "rejuvenate challenged communities, bolster those in danger of losing ground, and preserve the diversity of areas in the path of gentrification."

**Defining contextual factors.** New Communities was an outgrowth of a pilot program launched in 1998 in three Chicago neighborhoods. That pilot and NCP incorporate several features of the Comprehensive Community Revitalization Program that operated for 7-8 years in New York's South Bronx during the 1990s. Another important influence on NCP is Chicago's long history of supporting and working through CDCs and the presence in Chicago of a very strong and innovative local LISC program office that functions as the city's premier community development intermediary. Finally, NCP has benefitted greatly from the MacArthur Foundation's deep commitment to principles of comprehensive community development and its willingness to provide large and sustained support to the program.

## Design Choices

**Initiative definition.** A central NCP feature is the quality-of-life plans for each neighborhood. Another is the support of designated lead agencies to coordinate programs with other local organizations and citywide support groups. A third feature is the generous staff and financial resources provided to each lead agency (full-time initiative director and organizer plus grant and loan funds and technical assistance). Finally, NCP includes a strong emphasis on creating partnerships to address issues including employment, parks and recreation, health care, housing affordability, commercial and retail development, child care, education quality, neighborhood aesthetics and security.

**Funding and resource leverage.** The John D. and Catherine T. MacArthur Foundation has so far committed more than $47 million to NCP. Other funding has been raised from the Annie E. Casey Foundation, Bank One (Chase), Joyce Foundation, Living Cities, Mayor's Office of Workforce Development, Partnership for New Communities, Polk Bros. Foundation, State Farm Insurance Companies and the Steans Family Foundation. These funds have had a significant influence in leveraging additional project investments. Leveraging is encouraged through the provision of seed grant s and flexible loans to neighborhood lead agencies and through partnerships with businesses, government and residents.

**Foundation role.** The MacArthur Foundation sees itself as an active partner with Chicago LISC. Foundation staff have influenced the number of neighborhoods included, have assisted in forming key funding and program partnerships, and supported NCP's substantial evaluation component.

**Relationship to community.** The critical community linkage is provided by the designated lead agency in each neighborhood. The lead agencies were centrally involved developing the neighborhood quality of life plans and are expected to manage ongoing relationships with community residents and other key stakeholders.

**Data, learning and evaluation.** NCP is being evaluated by MDRC, using a rigorous outcome evaluation framework. In addition, the program includes a strong emphasis on documentation and knowledge sharing across neighborhoods, lead agencies and support organizations. By documenting the activities and sharing strategies and methods, NCP hopes "to multiply the impacts while advancing knowledge of best practices."

## Results Achieved

The 2010 evaluation report prepared by MDRC and covering the period from NCP's inception through 2008 credits Chicago LISC with successfully managing the initiative; it "facilitated grants to organizations, offered technical assistance, mediated community conflict and enforced accountability among partners." It credits the local organizations with successfully developing quality of life plans and implementing about 750 projects, many in the $25-50,000 range, in multiple domains including education, workforce development housing and social services. It also observed that NCP "helped community organizations form more trusting relationships and work together more successfully" at the neighborhood level.

*Initiative Profile:*

# Market Creek (San Diego)

### Initiative Overview

The Village at Market Creek is a comprehensive revitalization effort to create "a vibrant cultural village built on the four cornerstones of ownership, partnership, innovation, and learning." Starting with a high-impact anchor project, Market Street Plaza, the work expanded to be more comprehensive including physical, social, economic, civic and innovative learning components. Since the work began in 1995, Jacobs has worked on teams with residents on virtually every aspect of community life as community priorities and opportunities evolve.

**Lead funder and implementing partner.** In 1995 the Jacobs Family Foundation (JFF) created the Jacobs Center for Neighborhood Innovation (JCNI), an operating foundation that serves as "coordinating partner" for the Village at Market Creek.

**Target areas:** Cluster of disinvested neighborhoods called the Diamond consisting of 60 acres and 88,000 people in southeastern San Diego. Initial focus is on the 45-acre Village at Market Creek.

**Goals and intended results.** Market Creek's broad goal is to revitalize the community and improve quality of life. Success is defined by two different kinds of outcomes: specific community improvements and the mobilization of large-scale civic involvement by residents working together to create ownership of these improvements.

**Defining Contextual Factors.** JFF was founded in 1988, working primarily in micro-enterprise internationally and then micro-lending in southern CA. Over time JFF decided it would have most impact working directly and intensively with residents in a single geographic area. Its strong value on ownership has led to a multi-layered approach that encompasses multiple vehicles for asset-creation, sustainable asset-renewal strategies, mechanisms for asset transfer and an operational structure that promotes "resident ownership of neighborhood change."

### Design Choices

**Initiative definition.** Market Creek has a multicultural population of Latinos, African Americans, Whites, Samoans, and other Asian and Pacific-Rim immigrant groups. Working teams use a strategic growth model with residents setting priorities for land-use planning, construction, sustainability and community benefits, business development, etc. There is a strong emphasis on community problem-solving and accountability and doing "whatever it takes" (however nontraditional) to achieve goals.

**Funding and resource leverage.** Jacobs uses a host of creative funding vehicles and leveraging strategies through which to invest in Market Creek itself and partner with many other public and private investors. Market Creek Plaza, for example, has a three-part community ownership structure. One-third of the profits benefit individual community members through a system of private shares (implemented through an IPO); one-third benefit the community collectively through a locally controlled philanthropy, the Neighborhood Unity Foundation; and one-third are reinvested in ongoing development for eventual conversion to a community-owned commercial entity.

**Foundation role.** Jacobs is an embedded funder guided by the concept of community ownership rather than engagement. Grantmaking, organizing, training and development are highly integrated. JCNI moved its headquarters and investment portfolio into the community and played a range of roles—developer, leasing agent, construction company, fiscal agent for resident projects. The Foundation expects to work in the Diamond for 20-25 years, gradually transferring its assets to resident and community ownership as the Foundation sunsets.

**Relationship to community.** All work is done in working teams of residents and foundation staff. In 2009 783 residents worked on these teams. Many other forms of participation highly valued: quarterly town hall convenings draw over 1800 participants; eight cultural networks produce an annual festival attracting 6,000 people. Eighteen community and cultural networks joined to provide a strong community-wide organizing capacity.

**Data, learning and evaluation.** Emphasis is on ongoing and multiple transparent, participatory assessments in which residents play a central role. Other elements include systematic documentation, quality of life neighborhood surveys, information gathering by the Community Listening Dept., and contracts with outside evaluators for specific studies. There is no overarching external evaluation.

### Results Achieved

Highlights include: 1) Market Creek Plaza, a mixed-use development anchored by a major grocery store and providing space and subsidies for a set of resident-owned commercial businesses ($4.5 million leveraged $23.5 million in investment); 2) new community and conference center ($25 million); 3) significant increases in economic activity (e.g., at the outset, Market Creek was home to one active business and now has 32) and jobs, decreased incidence of violent crime; 4) 24,000 people participating in various cultural celebrations and learning experiences that reflect residents' multicultural traditions ; 5) after 6 years of planning with the redevelopment agency, an amended plan was approved by city council supporting future smart growth, transit-oriented development.

*Initiative Profile:*
# East Lake (Atlanta)

### Initiative Overview
East Lake is the prototype for a network of revitalization efforts, brought together under an organization called Purpose Built Communities. Over almost 20 years, the East Lake neighborhood has been transformed from an area with high crime, unemployment and failing schools to a mixed-income community, the Villages at East Lake, with a cradle-through-college education pipeline including a newly-built high-performing k-8 charter school, and a host of community services and supports.

**Lead funder and implementing partner.** In 1995, the C.F. Foundation established an intermediary based in East Lake—the East Lake Foundation--that works to design, create and support the new mixed-income community and its surrounding neighborhood.

**Target area.** The 200-acre East Lake neighborhood in southeast Atlanta was in the mid-1990s the site of one of the most troubled public housing complexes in the city.

**Goals and intended results.** The East Lake Foundation aims to break the cycle of poverty by creating and funding educational, recreational and self-sufficiency programs for residents while providing amenities that attract mixed-income residents and private investment.

**Defining contextual factors.** In 1993 Tom Cousins, a local real estate developer and philanthropist, bought the historically significant but decayed golf club at the center of East Lake and donated it to his family foundation with the charge of using the club as an economic engine to revitalize the community. This began a several year process of negotiations with the Housing Authority and Residents' Association that culminated in demolishing the existing public housing development and replacing it with a mixed-income community of 542 housing units encircled by a golf course.

### Design Choices

**Initiative definition.** Central to the Foundation's approach is a belief in the power of market forces and the need to build revenue streams for sustainability. Golf is important to the community: programs for youth are seen as embodying principles that contribute to youth development—discipline, honesty, hard work and integrity. Caddying programs also provide youth with the opportunity to develop the people skills needed to interact on the golf course with corporate movers and shakers.

**Funding and resource leverage.** A 2008 study by the Selig Center at the University of Georgia reports that the redevelopment of East Lake has generated substantial, sustainable economic benefits: "for a capital investment of $154 million, the economic impact generated over $226 in economic activity …concluding that it took only 19 months before the pay-off exceeded initial capital costs. The golf club's founding sponsor companies have contributed more than $20 million to the East Lake Foundation to revitalize the neighborhood. The golf club hosts annual PGA events and generates profits that are reinvested in the community through the East Lake Foundation. Additional operating support is provided by foundations, governmental entities and individuals.

**Foundation role.** The East Lake Foundation has worked to attract a range of organizational resources to East Lake, including a new YMCA, a Center for Working Families, two bank branches, and the area's first full service grocery store in more than 40 years. It funded the school's construction without school board involvement because it wanted to move quickly. It owns the land and the 100,000 square foot building and leases it to the school for $1/year. It was the first charter school in Atlanta and is run by Edison. The Foundation has a staff of about 7.

**Relationship to community.** The East Lake Foundation is governed by business people; it is not a community board. However the Foundation would like to see more residents in decision making roles regarding community issues and a greater shared sense of community. An interdenominational chaplain lives in a rent-free apartment in return for counseling and other forms of support for families and serving as a "healing presence" in the community.

**Data, learning and evaluation.** A "relentless focus" on outcomes and accountability characterize every aspect of the work and contribute to a culture of "data-driven decision making." Grant agreements with service providers emphasize clear outcomes and include incentives for meeting specified metrics. A Public Report Card is the public accountability mechanism that reports performance. There is no overarching external evaluation.

### Results Achieved
Both East Lake's housing and landscaping have won various awards. Half of the mixed-income apartments are rented at market rates, half are publicly subsidized. Crime rates have decreased dramatically. The surrounding community has also experienced decreased crime, increased real estate values and increased commercial development and jobs. The charter school has produced large increases in student performance. Students and their families also receive support from programs in early education, before and after school, financial literacy, health and wellness and college prep, provided in part through the new East Lake YMCA.

## Options for Structuring the Foundation's Role

How a funder shapes its own role in an initiative is one of the most important decisions in the design process, defining how the work will actually get done and who is accountable for which tasks and results. Each of the most commonly utilized options described below has its own advantages and challenges depending on the particular goals of the initiative, as well as local circumstances and opportunities.

### *Option 1:  Building on an indigenous lead organization that already has an agenda*

In this option, the funder's decision about where to focus its place-based investments is guided by judgments about whether a community has in place a strong, credible and well-connected ''indigenous'' lead organization that is already pursuing a locally-defined community change agenda. The clearest example of this option is Boston's Dudley Street Neighborhood Initiative ([www.dsni.org](www.dsni.org)).  Founded by residents in 1984, this planning and organizing nonprofit has attracted continuing interest and support from funders who recognize and accept Dudley Street's agenda, which is developed through a transparent, participatory community process.  New Song Urban Ministries ([www.nsum.org](www.nsum.org)) in Baltimore is another example of a resident-led organization that has attracted many funding partners for its comprehensive neighborhood development work since 1988.

For funders, the advantages of this option are the reduced time required to undertake a community agenda-setting and relationship-building process, less investment in building local implementation capacity and reduced risks that investments will fail to yield expected results.  Programs that develop organically in response to community demand rather as a result of an externally defined agenda help to ensure that the results are authentic and sustainable.  This does not mean that outside resources are not needed and welcome, simply that they cannot come with agendas and conditions that are antithetical to the development organization's goals and operations.  The main challenge for funders is finding a fit between the indigenous lead organization's agenda and their own strategic goals.

### *Option 2:  Designating a community intermediary as an initiative partner*

This option places key responsibility with a community-based "lead" organization to serve as an implementing partner with significant responsibilities for stakeholder engagement, strategy development and implementation.   Within this general model, the funder or funding partners have a defined purpose and approach, but rely on the community intermediary for help in further shaping and implementing it.  The lead organization brings to this approach its track record and its credibility as a voice for community needs and interests.  This option places accountability for establishing and maintaining broad community buy-in with the intermediary.  Typically, additional resources are provided by the funder(s) to compensate it for playing this role.

The origins of this lead-organization approach go back to some of the earliest examples of comprehensive place-based strategies – for example, the Comprehensive Community Revitalization Program in the South Bronx and the Annie E. Casey Foundation's Rebuilding Communities Initiative.  Currently, there are numerous examples of this approach, including the MacArthur Foundation's New Communities Program in Chicago and the majority of other LISC local programs pursuing the Sustainable Communities model; and the Strategic Initiative Areas funded by Neighborhood Progress, Inc. in Cleveland.

For funders, this option has some of the same advantages as option 1, provided the funder and community lead can build and maintain reasonable agreement on the change agenda and how it will be implemented.   The funder has a single point of contact and accountability and can rely on the

community intermediary's knowledge of community dynamics and leadership to shape and implement the initiative's engagement strategy. The challenges with this option are to make sure the community intermediary is prepared to take on this role and, if not, to invest in building its capacity to do so. Experience from previous community change initiatives suggests that many community-based organizations serving in this role require new staff capacities, modified practices and procedures, and new ways of working with residents and other neighborhood stakeholders.

### Option 3: Creating new community intermediaries, collaboratives or coalitions

In this option the funder decides that a new entity is needed to accomplish the funder's community change goal. The new entity might be a new nonprofit in a neighborhood where there is no organization well-positioned to take on the role described in Option 2. Such was the case for the Hewlett Foundation's Neighborhood Improvement Initiative—community planning groups evolved into free-standing nonprofit organizations responsible for the community change initiative, as well as for developing other work. Other foundations simply establish a new organization to plan and implement the initiative. Atlanta's C.F. Foundation, for example, created a new organization, the East Lake Foundation, to design and manage the work in East Lake. Another is the approach taken by the national Living Cities funder consortium in advocating the formation of multi-stakeholder Governance Committees in each of the five sites chosen for funding in its Integration Initiative. The key advantages of this approach are that it positions the new entity to be highly responsive to the foundation's goals for the initiative, and it potentially develops new leadership and adds important new organizational capacity to the target neighborhood. The challenges are the time and energy it takes to create a well-functioning organization with the community credibility and strategic capacity ideally suited to community change work, as well as the resources needed to sustain it on a permanent basis.

Another variant of this option is for the funder to support a community collaborative or coalition of organizations as its implementing partner. The California Endowment's 14-site Building Healthy Communities initiative, for example, works through what it calls a "community hub" or central table in each community that engages a group of individuals and organizations to develop and advance a shared vision for community change. Similarly, although the federal Promise Neighborhoods Initiative requires a lead agency for accountability purposes, proposals from communities must include written partnership agreements among the many public and private agencies and schools that will work together to implement the initiative. Both the California Endowment and Promise Neighborhoods have mandated very specific child and family outcomes that will define the success of these initiatives and both have mandated the engagement of multiple community partners. The specific strategies, however, are left up to individual sites.

Working through a community collaborative or coalition of organizations has the advantage of engaging the multiple interests and constituencies needed to design and implement a community change agenda, both helping to build relationships among key players and spreading risk for the funder. Developing effective structures and processes for collaboration, on the other hand, can be fraught with organizational role confusion and competition, community politics, and questions about accountability and capacity to deliver results.

### Option 4: Working directly with a community

This option is particularly relevant for foundations that are deeply embedded in their communities and have the capacity to work in a sustained way in their own "back yards" (Karlstrom et al., 2009). Foundations like Jacobs and Steans, for example, literally move into the neighborhood and operate as active players in the enterprise. Other foundations like Skillman and Wean do not locate themselves in

the neighborhood but work directly with grantees and leverage their relationships with a range of residents and community leaders, business owners, policy makers and others to advance their community change agendas.

Foundations that establish a direct and intensive relationship with one or more community have the opportunity to get to know the community well, observe closely how the initiative's strategies are playing out and adjust the foundation's funding and other forms of support accordingly. The key challenges for foundations working in this way are to define their roles clearly, both internally and with their community partners, and make sure they have the organizational capacity to play these roles well.

## Observations about the Choice of an Initiative Design

The seven profiles reveal the wide range of design choices facing initiative architects. Funders may choose to be relatively "hands-off" or they can assume key roles in operating the initiative themselves; they can make an open-ended commitment or they can decide upfront what the scope of their investment will be and when their exit strategy will go into effect; they can define success as broad community revitalization or the achievement of a limited number of specific outcomes; they can develop a loose set of assumptions about how they expect their strategies will lead to intended outcomes or they can develop highly specified theories of change.

Discussion can sometimes be dominated by questions about the "best" design—what is the *best* way for a foundation to select a community in which to invest, is it *better* for a foundation to work with an intermediary, and so forth. What matters most, however, is that the funders or intermediaries involved are clear about the rationale supporting the design choices made, and that the choices made are aligned with each other, the theory of change, the capacity to implement key design features, and the particular characteristics of the community. We offer two observations about the design process and some questions for foundations to consider at this stage of an initiative.

1.  *Align design choices as much as possible with the initiative's initial theory of change or logic model*

Nearly every place-based initiative these days begins with a set of assumptions, an initial theory of change, or some sort of logical framework that connects the initiative's stated purpose to a limited number of strategies that are intended to contribute to a set of intermediate and longer-term results. Despite their widespread use and obvious value in sharpening thinking about initiative design, some initiatives' logic models have been criticized for providing an overly simplified view of the implementation process. Initiative architects could benefit from more attention to making sure their design decisions are informed by their explicit assumptions about how the initiative's goals will be achieved and how change will take place. Foundations often find that the process of design can be an opportunity to review and refine the theory of change framework. Getting concrete about design can facilitate an iterative process through which initial assumptions about the level of investment or time required to achieve desired outcomes are given greater scrutiny and sometimes modified. There are no "right" answers here but alignment is critical.

❑ Are the initiative's assumptions about the strategies and the scale and duration of investments needed to achieve the expected results consistent with evidence from other similar initiatives? If not, what changes in design would help make the initiative's theory of change both more realistic and more useful in guiding action toward success?

❑ How thoroughly has the initiative designer assessed the target community's capacity?  Is the design of the initiative—especially the anticipated level of investment in capacity-building over time—well matched with community assets and needs?

### *2.   Good local fit and skilled execution can trump more general design guidelines*

A broader observation from the scan is that localized factors matter a great deal –including context, assets, history, as well as funder-specific capacities, resources and style.  The idea of "fit" is harder to express than the related principle of maintaining good alignment among design elements.  It captures the value of sensitivity and good judgment in program execution, qualities that are essential in adapting a design and field-level knowledge to the unique local circumstances where a place-based strategy is introduced.  The skill and sensitivity with which a funder takes in and applies localized knowledge constitute a "best practice" that often outweighs the role of generalized lessons from initiatives in other settings in determining how an initiative progresses and what it achieves.  Talented leadership and staff capacity with strong organizational and communication skills, political acumen, and an ability to mediate conflicting interests and work across a number of substantive areas at once are key (Kubisch et al., 1997).

❑ What does an initiative's design suggest about the qualities and skills that should be particularly important in recruiting staff leadership? What structures and policies need to be in place to support staff excellence?

❑ Does the foundation, intermediary and/or implementing organization have the strategic competence (Patrizi and Thompson, 2011) required for effective implementation?  In particular, does it have the deep knowledge of context and the flexibility to adapt design choices and roles to that context as it evolves over time?

## 3.  Engaging a Community and Building Capacity for Implementation

Every comprehensive place-based initiative requires decisions about how to specify the place that is to be the focus of a targeted change strategy and, based on that specification, how to enter the selected community and engage with its residents and stakeholders.  These are among the most significant early design choices to be made in a place-based initiative and they are closely tied to the strategy for making improvements within the selected community and, often, accomplishing broader system change goals.

"Place-based" offers a convenient construct that recognizes the "community" attributes of people living within a defined geography, including the "social, cultural, psychological civic, political, racial and organizational attributes of a population," and that serves as both an "administrative launch pad" and a "target of change" for a comprehensive change effort  (Kubisch et al., 2010 p. 11-12).  However, place-based approaches also introduce new conceptual and practical design challenges related to how to frame, execute and measure the effects of  a community-focused strategy.  The theories and logic models that guided earlier targeted community initiatives often underplayed the degree of complexity and openness that exists between the community selected and its surrounding context.  The notion that a neighborhood, small town or region is isolated enough from other environmental factors that its resident population can serve as an appropriate unit of analysis is giving way to more complex view of community "places" as highly complex and open systems characterized by enormous mobility of residents; continual shifts in the influence of internal actors on the community and one another; very

significant external political, economic, and market influences on conditions within the community; dynamic interplays of ethnic and cultural factors within diverse sub-communities; and so on.

With this growing acknowledgment of the interconnectedness of individual communities and the larger systems affecting them, there is a shift underway in the place-based field away from an earlier notion of "community" as a bounded target population for the purposes of measuring the impacts of a comprehensive community change strategy and toward the idea that a place-based initiative can provide an adaptable platform for collaborative learning, improving alignment of partners around collective impacts, and introducing changes in larger-scale systems. As a result, there is now considerably more variety evident in how place-based initiative designers are framing their strategies for entering and engaging with the communities where they choose to target their investments.

Some place-based agendas are more heavily influenced by the initial purposes of the initiative's funder or funding partners, while others are constructed and refined more organically within a funder-community working partnership that is guided by bottom-up community priorities, informed by investments in research and planning, and shaped in response to changing internal or external opportunities and circumstances. Depending on the specificity of the initial change agenda that is adopted, community engagement strategies may involve quite different approaches and structures. Even in the case of funder-driven initiatives that begin with a well-defined goal or set of outcomes in mind, the agenda and the engagement strategy will likely be shaped by evolving working relationships with community residents and stakeholders, other collaborating partners and co-investors, and various external decision-making bodies whose policies and actions have the potential to affect the well-being of the community selected. The relative emphasis given to an initiative manager's different engagement roles – convenor, planner or program designer, implementer, broker or advocate – are a matter of both strategy and organizational style and can be expected to evolve in emphasis with the change agenda over time. Initiative designers may also opt for or be led into deliberate shifts in engagement strategies at different stages in the life of an initiative.

The varied experiences and approaches used in managing community engagement and building capacity for implementation are the theme of this chapter. It begins by highlighting the main functions of community engagement in place-based initiatives. Then it describes five different tools that foundations and intermediaries have relied on – when entering and engaging a community at the onset of the work and, sometimes, throughout the initiative as a way of sustaining the involvement of community partners. Next it draws on specific case examples to examine some of the critical challenges that foundations have faced in building and maintaining effective community relationships. The chapter concludes with some observations about effective community engagement practices.

## Functions of Community Engagement

Community engagement is typically framed as a way of accomplishing one or more of the following key functions:

- ❑ Gaining knowledge of the community
- ❑ Establishing relationships and building mutual trust
- ❑ Identifying shared interests and developing shared goals
- ❑ Building local implementation capacity
- ❑ Developing local leadership

How important each of these functions is and what tools best accomplish them depend on a number of factors: the initiative's goals, the scale of resources available to the initiative, and the community's assets—particularly the strength of its social networks and the presence of capable CBOs with strong ties to residents and other stakeholders. Thus it is not surprising that Initiatives vary greatly in where

they place their emphasis among these functions, and in the specific tools they employ, the way they are combined, the scale of investments made, and the quality of their execution. The one-page profiles included throughout this chapter illustrate how four quite different initiatives have employed outreach and organizing activities to advance their particular goals while also strengthening community capacity and connectedness.

## The Tools of Community Engagement in Place-Based Work

Our scan of the field reveals five main types of community engagement tool that have been widely used by place-based funders either alone or in combination: community planning, community outreach and organizing, technical assistance and capacity-building, leadership development, and small grants programs.

### *Community planning*

One commonly used engagement tool is an inclusive planning process that provides opportunities for residents and other key stakeholders within a geography (or with potential to impact the geography) to work together to produce a plan of action that is broadly supported and that represents a consensus view of the participants' goals and desired results. Sometimes the community planning effort is designed to identify a quite broad "quality of life" agenda that defines the community's challenges and opportunities and identifies numerous programmatic elements that are woven into a comprehensive strategy. In other cases the planning effort is more sharply focused on refining cross-program strategies to achieve a specific set of key outcomes such as increasing high school graduation rates or improving child health.

Community planning is attractive as an engagement tool because of its potential to deliver a variety of benefits that touch on most of the engagement functions above. For example, this tool provides opportunities for:

❑ Building and strengthening working relationships among different community stakeholders.

❑ Providing a means for different types of stakeholders (e.g., homeowners, renters, small business owners) to express their particular interests and concerns to one another, allowing conflicting views to be heard and debated.

❑ Building consensus on top priorities that guide and legitimize later implementation steps consistent with those priorities.

❑ Allowing participants to discover opportunities to assemble complementary resources and expertise, thus providing a stronger foundation for plan implementation.

❑ Drawing attention to the community and its issues among prospective external political representatives, public officials, private and philanthropic investors, and policy professionals.

*Engagement Strategy Profile:*

# Mahoning Valley Capacity Building Initiative
### Wean Foundation, Mahoning/ Trumbull Counties, Ohio

The Wean Foundation's regional capacity and institution building strategy in northeast Ohio is framed not as a distinct initiative but rather as part of strategic shift in focus to support "the equitable renewal of the Mahoning Valley and expand economic and social opportunities for its residents."  Since adopting this new strategic focus in early 2006, Wean has adopted an approach aimed at strengthening the collective capacity of the region's anchor institutions, civic organizations and local government.  This includes strengthening their own connections with residents and other stakeholders and working better together to frame a new vision of the region's economic future and catalyze investments in a "transformative" economic development agenda.

**Engagement Tools Used**

The Foundation's engagement strategy is regional and involves numerous communities, so the tools used are different from those often used in neighborhood-focused initiatives.  The engagement strategy has four dimensions:

- Initially, significant grant support for a 9-month assessment process led by PolicyLink that included an intensive consultative process with residents and stakeholders from throughout the region and that led to recommendations for a long-term regional capacity-building strategy to better define goals and align efforts focused on economic revitalization.

- Early seed funding for a new regional convening organization, the Mahoning Valley Organizing Collaborative, whose mission is to "reweave the fabric of communities in Mahoning, Trumbull, and Columbiana Counties." MVOC uses a broad-based organizing model that includes direct door-to-door organizing and has assembled over 60 member institutions (churches, neighborhood organizations, unions and other citizen groups).

- Core funding and technical support for newly created citywide nonprofit development organizations in Youngstown and Warren, which in turn function as intermediaries pursuing additional community engagement activities related to targeted place-based neighborhood revitalization strategies in those communities.

- Direct engagement of foundation staff in a broad array of civic leadership development and problem-solving efforts, though participation on key local boards and a visible and direct role in organizing multi-organizational activities (e.g., a recent cross-sector delegation of local leaders to seek increased federal government support for economic development in the region).

**Foundation-Community Relationship Structure**

This capacity-building initiative is notable for its lack of formal structure. The Foundation's approach to engagement has evolved as it has articulated its own investment strategy consistent with its new strategic focus on regional capacity-building.  After the PolicyLink assessment was completed, it funded MVOC as a source of continuing organizing capacity.  Then it turned its attention to establishing two entirely new community development intermediaries in Youngstown and Warren.  In parallel, foundation staff became increasingly more active and hands-on in influencing and aligning activities and investments of its own key grantees and other civic players.  There is frequent contact, coaching and consultation the key nonprofit partners, other local philanthropies, and local government officials, all guided by Wean's strategic focus on identifying and promoting "catalytic" new investments with the potential to drive economic transformation in the region.

**Observations**

The most significant feature of Wean's engagement strategy is its deliberate move to a flexible, "beyond grantmaking" approach. Within a relatively short time, this shift has repositioned this established, homegrown family foundation into a more visible civic player that is directly involved in convening, advocating and deal-making with the government and business sectors.  The Foundation's emphasis on principles of equity, participation and collaboration together with its emphasis on larger, catalytic investments has brought coherence to its investments and drawn attention from beyond the region.  It will be several more years before the results of Wean's engagement strategy and new civic leadership role can be fully assessed. However, the growing stature of the new community organizing and development organizations it has launched and the range of new strategic economic initiatives now under discussion are in large part a result of the Foundation's actions to date.

One key challenge with this type of strategy, especially when carried out by an embedded funder, is in balancing the role of convenor and table-setter with the role of thought leader and advocate for particular strategies and projects.  Another is in managing conflicts that may arise among strategic partners, especially when the foundation is no longer perceived as a neutral broker but rather a stakeholder whose past or future investment choices may be a factor in the dispute.

Many place-based initiatives have made significant investments in planning. Sometimes these are highly structured Quality of Life planning processes as in Chicago LISC's New Communities Program and other similar LISC Sustainable Communities sites.

The principle behind Quality of Life planning is that it is important to convene participants very early in the program so that they can think creatively about the future and discover the common values and shared vision that provide the basis for working together. Usually this process is undertaken with skillful preparation and guidance; an investment in expert facilitation helps to ensure excellent quality and a good product.

Community planning is challenging and requires skills that most organizations do not have in-house. If the goal is to formulate plans that are creative, respond to community priorities, and make good sense, it is often useful to invest in high quality technical expertise. Experience from quite a few different initiatives confirms that a well-designed community planning process that includes a deep commitment to stakeholder participation can be time-consuming and

> **Case in Point:**
> ***Quality of Life Planning in Chicago's New Communities Program Initiative***
>
> A quality-of-life planning process captures the vision of residents and turns their goals into achievable projects and programs. Proponents describe it as "not planning for planning's sake, but practical planning driven by community needs, which leads to visible results." The process is called "quality-of-life" planning because it looks at much more than street layouts and housing or retail needs. NCP planning links physical and program planning so that social programs and services are incorporated into the plan and its maps. NCP planning looks at the whole community, including schools, parks, health care and child care, community safety, organizing, social services and opportunities for economic advancement. When a community has good things going in these areas, it is likely to be a healthy place for residents and a desirable place for public and private investors.
>
> An overview of the NCP planning process was presented at the American Planning Association's 2006 National Planning Conference in San Antonio, Texas. NCP's Planning Handbook provides a roadmap to the quality-of-life planning process, with guidelines for organizing the process, a sample schedule and examples of components that will become part of the plan. (See NCP Community Plans and the Planning Handbook at www.newcommunities.org).

require a substantial outlay of resources. Initial plans are often improved with more elaborate background analysis and additional investments in presentation and communications. Once plans take shape, some additional investments of time and money are often needed to assure they are packaged for a wider audience. Once again, the New Communities Program experience has demonstrated the value of refining ideas and strategies produced during the planning process into documents that are visually exciting and persuasive tools that can help in attracting support and resources for implementation.

Also, there is growing understanding that community planning should not be thought of as a one-time affair. Instead, practitioners have found a need to return periodically to community planning as a tool for sustaining focus and commitment as a place-based initiative evolves. An ongoing investment in community planning supports the idea of assessing progress and lifting up new priorities at different stages in the life of an initiative or in response to new circumstances or opportunities that may arise.

Other initiatives, as described in the four Engagement Strategy Profiles included in this chapter, have designed their own planning processes, combining traditional planning with outreach and organizing (Wean and Skillman), or planning only in response to issues as they arise rather than starting with a comprehensive plan (Steans).

### *Community outreach and organizing*

This group of tools emphasizes significant and sustained investments in building community capacity and leadership using established community organizing techniques. These may include classic issue organizing, consensus organizing or more recently defined approaches including the "relational organizing" approach that Jim Capraro has advocated (www.instituteccd.org), or the "network

*Engagement Strategy Example:*

# Good Neighborhoods/Good Schools initiative

**Skillman Foundation, Detroit**

The Skillman Foundation's ten-year, $100 million initiative in six Detroit neighborhoods is focused on a goal of significantly increasing the number of youth in these neighborhoods who are safe, healthy, well-educated and prepared for adulthood. The initiative involves a range of strategies including neighborhood and youth development, school improvement, and policy and system change to promote positive youth outcomes.

**Engagement Tools Used**

Skillman is an embedded funder with longstanding roots and rich networks in Detroit. It approached the initiative with a strong belief that resident engagement and leadership would be critical to achieving sustainable results. This led the Foundation to a multi-pronged approach to community engagement sequenced over several years:

- Individual meetings, outreach, and focus groups to identify community assets, challenges, and needs, as well as meetings with community stakeholders to introduce the initiative and the Foundation's partners (see below), and invite feedback.
- A structured series of small and large group community meetings to share community data, develop shared vision, determine priorities and strategies, form action planning teams, and eventually create formal resident-stakeholder partnerships that reflect racial/ethnic diversity of the neighborhood and engage youth as full partners.
- Learning Grants—small awards to individuals and nonprofits to assess community needs and assets.
- Workshops, coaching, and other forms of technical assistance.
- Leadership Academies—multiple resident cohorts each meet for eight Saturday sessions.
- Community Connections Small Grants Program with resident review panels that make grants of up to $1,500 to residents and stakeholders to address local needs, advance community goals, and strengthen leadership.
- Community Builders Leadership Institute—quarterly cross-site meetings to engage additional public and private partners working toward similar goals in the target neighborhoods.
- Community newsletter publication and distribution.
- Various community events such as clean-ups, safety-walks, celebrations and recreational activities, health outreach and education events.

**Foundation-Community Relationship Structure**

The Foundation selected a hybrid approach to managing the initiative. Foundation staff played a significant role in designing and implementing the neighborhood work but the Foundation also contracted with three intermediaries to facilitate the community engagement and planning process (the National Community Development Institute), to provide ongoing technical assistance (the University of Michigan School of Social Work Technical Assistance Center), and to administer the Community Connections Small Grants program (Prevention Network).

Overall, the approach takes a "co-design" stance that takes time for community processing and reflection to produce work that is inclusive, participatory, and reflects community ownership. There is a strong emphasis on an iterative process of planning and doing, and building capacity along the way. At the same time, Foundation leadership has been very clear about the need to stay focused on the initiative's intended youth outcomes. Community engagement is viewed as a means toward this end. By continually rearticulating and clarifying what the initiative is intended to achieve, the Foundation aims to reinforce the momentum toward results.

**Observations**

Foundation leadership viewed its engagement approach as one that would take advantage of its embeddedness in the community without requiring a significant addition of new staff. It could draw upon the Foundation's deep knowledge about Detroit, its skilled staff, and their relationships with a wide range of public, private, and nonprofit stakeholders and organizations, while still outsourcing much of the intensive organizing and capacity-building work in each of the neighborhoods.

The challenge with this approach is to create and manage structures and processes that keep information flowing among all the partners so that their thinking and actions are aligned with each other and the Foundation and build toward shared goals. In an initiative with so many moving parts, Foundation staff need to be able to draw upon finely honed listening and communication skills, a sense of timing and pace, ability to navigate group dynamics, political acumen, and deep cultural competence.

organizing" approach that community organizing expert Bill Traynor has developed as a result of his work in Lawrence, Massachusetts (Traynor & Andors, 2005). Investments consistent with this approach often include the funding of full-time outreach/organizing staff working in the community; assistance in forming community governance councils or coalitions; various investments in community leadership development programs for adults and youth; and enhanced communications investments that range from expansion of existing community newspapers to the development or redesign of community websites, to techniques that rely on newer social media.

Investments in community organizing and outreach rest on the assumption that communities struggling with poverty and disinvestment are especially vulnerable to further disinvestment and erosion of assets unless they are able to develop a common voice and a capacity to influence the decisions affecting them.  New investments in community capacity are aimed at achieving several benefits:

❑ Increasing the social connections among residents and stakeholders so that they are better able to understand one another's interests and concerns;

❑ Increasing the capacity of groups of residents and stakeholders to identify shared interests and articulate common goals and preferences;

❑ Building community structures and processes for working collaboratively on common problems; and

❑ Extending the collective voice and political power of the community to influence external policy and resource decisions affecting their well-being.

**Case in Point:**

**"Network Organizing" as an Effective Engagement Strategy in Lawrence MA**

Lawrence Community Works has developed an innovative community organizing approach in this aging industrial community that connects people to one other and opportunities for moving into public life.   The "network organizing" approach incorporates network theory to overcome common obstacles to resident engagement and create a *demand environment* for change.  Instead of working mainly with the CBOs, intermediaries, service agencies, etc.) that drive the "supply side" of the change agenda, LCW invests in raising the capacity of these organizations to better engage the community to produce more *demand* for change.  The strategy provides abundant opportunities for people to come together, articulate and act on those things that are important to them.  Instead of  organizing in reaction to negative effects of change, the strategy focuses on building the networks needed for more proactive, productive deliberations at the institutional, neighborhood and city levels to shape the community that residents want.  This network-building strategy values change, flexibility, choice and relationships.  Key  principles are:

- Network organizing focuses first on  **creating choices**.
- A network needs **many points of entry** that are accessible and interesting to a wide range of people.
- Creating **linkages** is critical to building a strong networking strategy.
- A network needs agents (or "**weavers**") who are actively engaging and connecting people to the network.
- All programs and committees have to be seen as **provisional** – useful only in get everyone where they need to go.
- Every solution has to stand the test of **resonance**: Does it capture other people's imaginations, attract their time and energy?
- A network must have the ability to **broadcast information** quickly to the right places determines its effectiveness.
- A well-functioning network must have **multiple hubs and nodes.**

Since the approach was introduced around 1999, it has spawned a large and powerful resident-led network (including young people) that has been instrumental in many recent successes, including new neighborhood and affordable housing developments, improved parks and playgrounds, creation of a community center in an abandoned school, establishing a collaborative to redevelop the city's downtown and adjacent areas, passing a major zoning reform emphasizing smart growth principles, and improving public participation in the city budgeting process.  For more information see Traynor and Andors (2005), at: www.nhi.org/online/issues/140/LCW.html.

*Engagement Strategy Profile:*

# North Lawndale Initiative
**Steans Family Foundation, Chicago**

In 1995, the Steans Family Foundation departed from its historical support for an "I Have a Dream" program and decided to focus its philanthropic dollars and energy on North Lawndale, a distressed but revitalizing neighborhood on the west side of Chicago. The decision reflected a belief that people are embedded in families, social networks, institutions, and communities, all of which can be strengthened to promote improved outcomes for individuals. The assumption was that with sustained, strategically placed financial and technical support, community revitalization is possible, and with it, enhanced life chances for North Lawndale's children and families. The Foundation's initial commitment of 5 years has been renewed for the foreseeable future, now over 15 years later.

**Engagement Tools Used**

Once the Foundation decided to focus its work in North Lawndale, it opened an office in the neighborhood that would serve as a symbol of the Foundation's long-term commitment.  To guide its entrance into the community, the Foundation reviewed and recommitted to the principles that would shape its actions.  The initiative's efforts should:

- Foster participation and ownership among residents
- Build and/or expand individual and organizational capacity
- Promote indigenous leadership
- Strengthen networks and connections among individuals and organizations
- Strengthen the community's connections to outside resources

The Foundation hired a staff person with significant experience working on the ground in tough neighborhoods and, together with Steans family members, they met with many community members and nonprofit leaders to learn about the neighborhood and begin to build trust. They volunteered in the neighborhood and joined local groups. Initial engagement also involved assuming more formal roles as:

- **Neutral convenor**—bringing community members and other stakeholders together around specific issues of concern. A first example involved inviting school principals to join a learning network, which evolved into the North Lawndale Learning Community and led to important improvements in local schools
- **Broker**—connecting community needs with outside resources. The Foundation was able to assist a range of community nonprofits gain access to or compete favorably for both city contracts and private grants.
- **Grantmaker**—supporting a range of nonprofits with grants and program-related investments. The Foundation also implemented a small grants initiative in which residents received grants of up to $2,000 for small projects that would require them to work together. A committee composed of two Steans family members and ten residents review all proposals and make final funding decisions.
- **Capacity builder**—investing in leadership development, block clubs, etc.
- **Community advocate**—casting a public vote of confidence in the community among potential investors.

**Foundation-Community Relationship Structure**

Focusing on one neighborhood provided an opportunity to harness individual Steans family members' diverse expertise and interests. All have contributed significantly over the years, often assuming responsibility for major pieces of work that align with their own training.  Residents and service providers have gotten to know the Foundation (and vice-versa) through specific projects and concrete work.  The Foundation has thus avoided raising expectations and stimulating competition for resources as it entered the community.

**Observations**

The Steans approach to community engagement stands in contrast to others that start with a request for proposals or a process for drafting a comprehensive community plan. This decentralized, evolutionary approach has some key advantages. By not leading with money or responding to a grand community plan, it can be nimble and adapt to the complexity of any given issue.  Its approach to convening and supporting relevant stakeholder networks means that much of the work is coordinated through these networks rather than through any central, community-wide forum for decision-making.

One challenge of working in this way is grappling with how much influence to exert over decisions. Too little influence can mean missed opportunities while too much can mean stifling community capacity and undermining sustainability. The sustained engagement of Steans family members with active community residents and organizations helps the Foundation gage this balance and has earned wide respect in the community.

## *Technical assistance and capacity building*

Most place-based initiatives begin with an understanding that implementing a comprehensive effort requires a substantial investment in technical assistance over the life of the program. The range of technical assistance roles and functions required to support initiative action—establishing and maintaining commitment to a guiding mission; fostering communication and breaking down silos among participants; collecting, analyzing, and presenting data; promoting effective planning, outreach and organizing; increasing awareness of and reliance on evidence-based practices; developing management systems and staff capacity—have been distributed by different initiatives to different constellations of providers, and roles have been traded off among funders, evaluators, intermediary organizations, independent consultants, and providers of specific kinds of technical assistance. Depending, in part, on how this has been structured, there have been more or fewer problems with coordination, more or less tension around the source of authority and lines of accountability, and technical assistance has been more or less responsive and effective (Harder+Company, 2011).

Technical assistance requires sustained, dedicated, frequently engaged, and readily available support over a sufficient period of time. It needs to be flexibly applied, sequenced based on the initiative's stage of development and intentional about transferring the essential knowledge, techniques, and tools to the community.

Decades of experience suggest that what matters most is having ample resources for making flexible TA investments and an initiative manager with the confidence, sensitivity and good judgment to assess needs and make timely matches with capable TA providers.   For initiative managers, the work of managing technical assistance—deciding when and how to introduce which kinds of support at what level of intensity over what period—is seldom "hands-off." Initiative managers spend significant time ensuring the scope of each assignment makes sense, and ascertaining that the fit is right between consultant and client.  This requires a readiness to reassess what works and what doesn't and the flexibility to make changes in a timely way when needed. Simply coordinating different providers, avoiding natural silos among them, and making sure everyone shares a common vision and is reinforcing each other's work can be challenging. Some initiatives have found it helpful to bring TA providers together from time to time so they can compare notes and clarify expectations about their respective roles.

> **Case in Point:**
> *Coaching for Community Change*
>
> Although relatively untested (Emery et al., 2011), coaching may be particularly helpful as a complement to more targeted technical assistance in initiatives with many players who are challenged to implement changes in organizational structure, operation, and culture that a community change initiative may require.  Although a coach typically works in operational terms for both the funder and the site(s), conceptually he or she is accountable to the vision and goals of the initiative. Such a role involves close relationships with—but also autonomy from—both the site and the funder. This position allows the coach to view initiative dynamics and actions in their complexity and within context over time. From this vantage point, the coach is well situated to see and speak freely and to help participants discover when their actions are out of alignment with the initiative's broader goals and ideas, to provoke and energize, and to help them steer back on course (or reconsider the initiative's goals and change the course). Ideally this kind of reflection gets institutionalized within the initiative, providing a robust capacity to solve problems as they emerge.
>
> One advantage of a coaching approach is that the coach's charge is to be invested in the long-term success of the initiative and its participants rather than in any one component or set of players within it. Having the "big picture" while attending to the contributions of its various moving parts positions the coach to identify and promote learning opportunities and strategies that are contextually relevant and important for moving the initiative forward.  See Hubbell and Emery (2009) for community coaching guides:
> www.aecf.org/KnowledgeCenter/SearchResults.aspx?source=topsearchKC.

Guided by an understanding of the value of "demand-driven" TA, funders often aim to embed as much authority as possible with its users. Sometimes this means providing a flexible pool of resources that the collaborative or lead agency can use at their discretion or in consultation with the funder (Kubisch et al., 1997). Alternatively, some funders maintain control of TA resources but respond flexibly to site requests (Miller and Burns, 2006). Such an approach requires the funder to be confident that sites know enough about possible sources of support (as well as their own needs) to ask when appropriate.

Finally, some initiative funders have found it helpful to follow a model of contracting with a single agency to provide staff dedicated to supporting technical assistance needs. This single-agency approach makes particular sense in multi-site efforts for program components such as planning, where issues are likely to be similar across sites and where proven skills and an established base of knowledge and expertise are especially valuable. For the technical assistance providers, working in similar ways with several different organizations and neighborhoods can also have both financial and staffing advantages. Even this arrangement, however, puts a premium on providers who can adapt their "standard" approaches in response to the particular needs and assets of participating communities.

### *Leadership development*

Resident leaders play a critical role in ensuring that there is real community voice and some measure of control over the direction a place-based strategy may take. Investments in leadership development are increasingly understood as a critical part of the stewardship responsibilities that funders and other external instigators of comprehensive revitalization assume. As philanthropies, they agree to serve as "guarantors" that the interests of those most likely to be impacted by new charitable investments benefit and/or are protected from unintended and unwanted consequences of those investments. The implementation challenges associated with this dimension of the work involve how to ensure that skillful, practical investments are made in building localized leadership capacity.

Resident leadership development strategies have moved a long way from the concept of specialized leadership training programs. Many now believe that the most effective approaches to building skills involve direct participation with other decision makers in planning and analysis processes that involve identifying and comparing options, working with trade-offs, and choosing among competing priorities. Groups develop skills by interacting directly with other interested

**Case in Point:**
***"Connecting Circles" in the Cleveland Foundation's Neighborhood Connections Program***

Connecting Circles is a peer networking initiative that developed as an outgrowth of the Cleveland Foundation's Neighborhood Connections program, one of the largest citizen engagement small grant programs in the country. Originally started as a few topical workshops in response to grantee interests in technical assistance, Connecting Circles evolved into a series of leadership development sessions focused on organizational and capacity building issues of interest to grantees representing smaller-scale organizations and programs within Cleveland's neighborhoods. The flexible design capitalized on participants' own knowledge and learning and their motivations to grow as leaders. The facilitated sessions were designed to identify and connect people around similar needs in topic areas such resource development, building a better understanding of how to operate an effective board, strengthening their organizational development skills, learning about business planning and budgeting, and promoting organizational events.

Participants found the professional development support they received through Connecting Circles an invaluable learning experience. Some noted that it helped them to stay focused on accomplishing primary goals while addressing "real" issues of relevance to their organizations. The small size of the groups enhanced joint problem solving on issues typical of smaller-scale organizations and programs. The sessions promoted mentoring within a supportive environment in which attendees were able to draw upon one another's strengths. Over time, participants became comfortable in connecting with one another outside the sessions, lending support to each other's organizations, and marketing their work more broadly within the community. For more information, see the Neighborhood Connections program (http://neighborhoodgrants.org).

*Engagement Strategy Profile:*

# Strategic Initiative Neighborhoods
**Neighborhood Progress, Inc., Cleveland**

Beginning in 2005, Neighborhood Progress Inc. launched a targeted, comprehensive and market-driven investment approach in portions of six Cleveland neighborhoods where it had already made significant real estate and capacity-building investments. The Strategic Initiatives approach was designed to demonstrate that well established CDCs with experience mainly in physical development strategy could increase the impact and visibility of their work by broadening their focus to include more comprehensive investments in schools, safety and commercial revitalization, and also concentrating more of their efforts within a smaller geography with attractive assets to build on. Guiding the approach was a "neighborhood recovery" frame that included a strong focus on income diversity, increased housing choice, and improving the attractiveness of the target area for new residents and businesses. The strategy included increased resident engagement and neighborhood planning, more investment in larger-scale real estate projects, and the introduction of strategies to address issues of crime, environment, school quality and other quality of life concerns.

**Engagement Tools Used**

Increased neighborhood stakeholder involvement was an important initiative goal and NPI incorporated several community engagement tools into its strategy:

- It provided significant funding support to participating CDCs to undertake intensive community planning processes in each neighborhood. Plan development was facilitated by professional community planning teams and focused on defining a set of comprehensive plans with clear priorities and a set of investment strategies that would be mutually reinforcing, yield visible changes, and have a positive market impact.

- As part of the strategy, NPI increased funding for community organizing staff and activities among the CDCs selected to lead the Strategic Initiatives in their respective neighborhoods. This increased support was intended to enhance the CDCs' ongoing engagement work and sustain the increased levels of stakeholder participation generated during the community planning processes.

- NPI also increased its own staffing, including the addition of experienced community organizers, to enhance its own capacity to engage more directly with stakeholders in the target neighborhoods and to act as a convenor and partnership builder in areas such as school improvement, community safety, greening and sustainable development projects and foreclosure prevention.

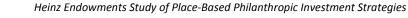**Foundation-Community Relationship Structure**

NPI worked in partnership with neighborhood-based CDCs as the established community-based planners, convenors and agenda-setters for their respective target areas. NPI was actively involved with the CDCs in defining appropriate target areas and in negotiating funding for specific programs and projects. However, the neighborhood planning and decision-making role rested with the CDCs.

In addition to their more direct and intensive engagement with CDC partners in each neighborhood, NPI staff were simultaneously engaged in building broader civic partnerships and innovative policies to support the targeted investments and strengthen the broader community development system.

**Observations**

The engagement strategy that NPI adopted was appropriate in view of the community engagement capacity that already existed among most of the participating CDCs. The overall model and the relationships that NPI maintained with the six neighborhoods was built largely upon the established community development infrastructure in Cleveland – a well-established citywide program of operating support, technical assistance and real estate project financing for CDCs, plus solid political and public agency support for CDCs and community development work. The most significant shift that occurred was the growth in internal NPI staff capacity, enabling NPI to provide more strategic and programmatic leadership in the development and execution of the target area plans. Over the course of the initiative, NPI became more engaged than ever before in engaging new partners, and convening actors from across the six neighborhoods. Staff also played lead roles in broader civic problem-solving, in issue areas including vacant land management, notably the Reimagining Cleveland initiative to repurpose vacant land for greening and other new uses), improving the land disposition system, and foreclosure prevention.

For NPI, most of the engagement challenges presented by this initiative centered on how it shifted its own role from that of a financial intermediary providing operating and project support to a citywide system of CDCs to one in which its own staff became thought leaders and agenda setters both within and beyond the target neighborhoods. While the value of NPI's coaching, convening and technical advice were often recognized, its more active strategic role combined with its control of critical project resources introduced new tensions into its relations with CDC partners and some other investment partners.

investors, service providers and decision-makers in real-time problem-solving.  Although often slower and messier, this process helps residents build skills, promotes trust across organizational boundaries, and leads professionals to see residents as true decision-making partners.

Practically, this approach leads to leadership development strategies that incorporate one or more of the following ideas:  (1) including residents on planning and decision-making teams with agency staff and investors; (2) building resident capacity to participate directly in the work of tracking and monitoring performance; (3) building the skills of individual community members as community connectors and change agents; and (4) creating peer exchange opportunities and "safe" group settings within which resident leaders can provide mutual support and assist one another in finding and developing their personal leadership styles.  Meehan et al. (2011) argue that "developing these competencies requires a neutral and supportive environment where leaders can experiment, practice new behaviors and skills, form authentic relationships, have real conversations and solve conflict in order to support the collaborative work of making aligned contributions."

More formal leadership development strategies have also had some success in place-based work, ranging from community fellowships that enable emerging leaders to connect with one another and visit other places where community-building work may be more advanced to targeted, skill-building programs. For example, Dudley Street Neighborhood Initiative's Resident Development Institute (RDI) has developed a set of core leadership competency training modules covering topics like values, vision and power; meeting design and facilitation; community organizing; developing leaders; resource development; strategic thinking and planning; and public policy advocacy. RDI aims to provide "practical, tested, useable tools, resources, approaches, and trainings that contribute to good community decision-making (see www.DSNI.org). Related approaches include Resident Leadership & Facilitation (RLF), developed by the Casey Foundation (Ahsan, 2008), and National Community Development Institute's Leadership Academy for developing leaders in communities of color (Satterwhite and Teng, 2007).

Reinelt, Yamashiro, and Meehan (2010) contend that traditional approaches to leadership development that emphasize individual knowledge and skill development do not suit the leadership needs of low-income communities and communities of color that are working to address highly complex problems. Place-based initiatives need to overcome fragmentation by working across organizational and sector boundaries; this calls for a more collaborative approach. Backer and Kern (2010) recommend using peer networking, through group problem solving and information sharing components, to stimulate leadership development.

> **Case in Point:**
> ***The Community Connections Grants Program in Detroit***
>
> The Community Connections Grant Program provided 412 grants of $500 to $5,000, totaling almost $1.5 million, to 291 local groups and leaders, both incorporated nonprofit organizations and informal groups, over almost 5 years.  A grant review panel made up of 21 residents meets monthly to review all grant applications and make funding recommendations; panelists also serve as ambassadors and connectors among the small grants program and other residents, institutions and change efforts in their neighborhoods.
>
> A 2011 evaluation of Community Connections (Scheie et al., 2011) reports that small grant project events and activities are "expanding the number of spaces where people can meet neighbors and begin to engage in collective efforts that improve the neighborhood. These spaces for interaction and shared work help connect people to the place where they live, help them see themselves and their neighbors as a vital neighborhood, and help strengthen the habits, skills and networks by which they can work for community improvements rather than retreating or leaving." Two of the key factors contributing to success are that the program is woven into the larger Skillman Foundation community change effort, rather than being a stand-alone strategy; and that a coordinator plays a key role coaching and mentoring grantseekers, grantees and panelists, and connecting them into broader institutional and policy networks.

The Kellogg Leadership for Community Change program (2008) focuses on what it calls community-based *collective* leadership that becomes possible when "the members of a group, motivated by a

common purpose, begin to build relationships with each other that are genuinely respectful enough to allow them to co-construct their shared purpose and work." Despite the emphasis on the collective, the program acknowledges that "people new to community-change work need hands-on opportunities to learn tactical leadership skills that are part of implementing community change. These include learning and using strategic-planning, sharing decision-making practices, practicing with policy and political assessment processes, employing participatory evaluation methods, and using effective facilitation and community organizing strategies."

Bailey and Jordan (2006) underscore the importance of fostering leaders' collective process skills (e.g., team building, accountability, understanding and undoing racism, analyzing power, and creating opportunities for community action) as well as individual skills, such as public speaking and fundraising. They also note the need to constantly reach out to new leaders to replenish and expand the group.

### Small grants programs

Investments in small grants programs provide an avenue for learning new approaches, encouraging joint action, and nurturing local talent and leadership.  In principle, these generally modest investments in people and organizations can advance all five of the community engagement functions described at the beginning of this chapter.  Such investments can also yield visible improvements in community appearance and amenities, draw broader attention to the target area and its assets, attract additional resources to the revitalization effort, and connect resident leaders for roles beyond the community.

Numerous small grant programs around the country have demonstrated the ability to respond effectively to community needs, build resident and small nonprofit leadership, and support community projects and events that strengthen community identity and build social capital and new leadership.

## Navigating the Terrain:  Critical Challenges for Foundations

Effective community engagement creates a powerful asset for advancing community change goals. Foundations aiming to catalyze or contribute to community change recognize the limits of externally developed and imposed approaches that do not engage residents and other stakeholders and rarely outlast the foundation's support. "Local ownership" of neighborhood improvement efforts is both philosophically most appropriate and practically most likely to yield positive long-term results. Thus residents and institutions that have a stake in the neighborhood need to be engaged in the process of identifying and prioritizing the needed changes and devising and implementing strategies to achieve these changes.

However, defining the terms of local ownership and fostering a process that is genuinely rooted in the needs, assets and goals of residents and stakeholders present challenges for foundations.  Many well-intentioned community engagement efforts have not yielded desired results.  As Tom David (2008) notes, beginnings matter: "*How a foundation engages and treats residents in the initial stages of a grantmaking program will set the tone for the entire enterprise*."  The following examples provide mini-snapshots of some these challenges and the lessons they have generated. The snapshots are extracted from online reports that are referenced so that the reader can explore their nuances in more depth.

## 1. When the rules of engagement are not clear from the start

Decisions about rules of engagement— for example, who will determine priorities, hire staff, make decisions about money, and set the pace of change—are messy but unavoidable in initiatives that unite powerful philanthropic institutions and traditionally powerless communities that have often been buffeted by outside forces. Discussions about roles and accountabilities take up valuable time and tend to raise underlying conflicts, just when partners are eager to build good will, find unity and move ahead.

But the lesson here is that **specifying the rules of engagement early on can help to produce a robust and sustainable partnership.** Doing so requires taking the time to understand the conditions under which each party operates—its institutional imperatives, capacities, pressures, and limitations. This mutual knowledge helps the parties reach agreement on roles and expectations, methods for resolving conflicts, and processes for communicating within and outside of the partnership. Another useful step early on is establishment of a process for reviewing and modifying the terms of the partnership as progress evolves and conditions change.

## 2. When terms like resident/ community ownership and empowerment are not fully defined

Foundations need resident and community stakeholder input to identify strategies most likely to take hold in the community. This input can legitimately range from one-time advice of community leaders to deep ongoing engagement and decision-making control as the initiative plays out over time. Foundations and communities often face difficulty when the nature of community input remains unspecified.

What so many initiatives have discovered is that **stating the broad aspiration of resident input, ownership, and/or empowerment in more operational terms**

> **Case in Point:**
> **The Enterprise Foundation's Neighborhood Transformation (NT) Initiative in Southwest Baltimore**
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> The Enterprise Foundation launched its Neighborhood Transformation Initiative in Baltimore in 1990 in partnership with the community and with the City of Baltimore. After a participatory planning process, NT established an implementing vehicle in the community—Community Building in Partnership—to help translate its comprehensive vision into action. But it did not define CBP's responsibilities or authority clearly or establish a decision-making system that was widely accepted in the community as legitimate. As a result, mistrust and resentment built in the community. Lack of clarity, especially concerning issues of control, caused each partner to revert to its own assumptions and priorities, rather than focus on NT's core goals. Fundamental disappointment and frustration was voiced on all sides: the tensions about how the partners would work together consumed a great deal of energy and, by all accounts, undermined the initiative's achievements.
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> Report available at:
> www.aecf.org/KnowledgeCenter/SearchResults.aspx?source=topsearchKC

> **Case in Point:**
> **The Hewlett Foundation's Neighborhood Improvement Initiative (NII) in three Bay Area neighborhoods**
>
> NII began in 1996 with a planning process in which diverse groups of residents came together to develop a vision for the neighborhood and a plan to achieve it. While committed to a "resident-driven" approach, Hewlett did not specify the operational meaning of this term nor did it articulate a strategy for identifying and developing resident leaders who could ultimately take charge of NII. Wanting to honor its commitment to a resident-driven process, Hewlett approved all three community plans resulting from the visioning process despite serious misgivings about the sites' abilities to knit together a coherent approach. To build local capacity, the Foundation made significant investments in technical assistance strategies. But Foundation leaders grew increasingly frustrated with what they saw as a lack of strategic direction in all three communities, and they ultimately introduced new requirements for focus and approach. This led the communities, in turn, to question the Foundation's commitment to resident priorities and decision-making. Despite the fact that both Hewlett and the sites genuinely wanted the work to generate positive outcomes and residents to play a role in achieving them, each had a different perspective on how to connect resident engagement to outcomes. This difference was an important—though not the only—factor in NII's difficulties in producing these outcomes.
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> Report available at: www.hewlett.org/library/hard-lessons-about-philanthropy-and-community-change-nii

***can go a long way to reducing conflict down the road***. Being specific and transparent, particularly with regards to control of key resources, requires the Foundation to ask itself: what role does community engagement serve in our assumptions about how change will take place (i.e., our theory of change)? How does it factor into our thinking about who does the work and how it becomes sustainable? Most importantly, how will we need to do business differently to make sure that once decision-making responsibilities and accountabilities are clarified, we have the capacity to "live with" and support the decisions of our community partners?  In developing new rules, procedures and habits for working collaboratively with a community, both staff and trustees need to understand and embrace the rationale for the changes and be committed to implementing them consistently over time.

### 3. *When responsibilities are not clear for defining priorities for and making decisions about capacity building and technical assistance*

Capacity building is usually a central element of complex community change initiatives.  Providing technical support that anticipates and responds to an initiative's needs at different points in its development both is challenging and a frequent source of funder-grantee tension.

Foundations have learned to be thoughtful about ***designing TA strategies that consider the timing, amount and content of support; the selection of providers; and the structural arrangements undergirding the support.***  For example, it is useful to be explicit about such things as to whom the providers are accountable, in whose budget TA resources sit, and how different providers are coordinated.  They have also found that cross-site learning and peer mentoring and exchange can provide a positive alternative to reliance on expert consultants for transferring lessons from the field.

Nonetheless, decisions made about investments in technical and organizational capacity will often become the arena in which broader issues relating to roles, responsibilities and decision-making authority will surface. Experience from numerous place-based initiatives suggests that place-based funders should think in

> **Case in Point:**
> ***Edna McConnell Clark Foundation's Neighborhood Partners Initiative (NPI) in five NYC neighborhoods***
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> One of NPI's four core tenets was the importance of resident participation and ownership. The initiative was designed to use a lead organization in each neighborhood as the primary lever for neighborhood change. Believing that these lead organizations would need to develop new approaches to resident engagement, the Foundation supported an array of cross-site and site-specific technical assistance toward this end. Although lead agencies were initially receptive to this TA and successful in engaging residents, over time the lack of clarity about who controlled the TA agenda, the selection of providers, and the functions it served within the initiative generated significant confusion and discontent. TA providers were engaged by the Foundation but it was not clear to sites to whom they were accountable, how much TA was mandated or demand-driven, and to what extent the TA providers were performing a site monitoring function for the Foundation (termed "snoopervision" by some in the initiative.  An outside review recommended, among other things, work to achieve greater clarity between the Foundation and the five lead agencies about NPI's central goals and the roles and functions of TA.
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> Report available at:
> www.chapinhall.org/research/report/neighborhood-partners-initiatives

advance about how this component can best be managed, share this thinking with community partners before a strategy gets rolled out, and decide together how to modify it along the way should that be desirable or necessary from either party's perspective.

### 4. *When communications are murky between the sponsoring foundation and the community about the funder's intended implementation role*

Foundation staff members often play significant roles in community change initiatives, at different times combining elements of designer, grantmaker, coach, advocate, convenor, mediator, quality control specialist, and fundraiser. This requires staff to be able to draw upon a range of operating styles and skills and to have a nuanced appreciation for when to do what.

The key lesson here is not what roles are appropriate or most effective—this depends on what the foundation wants to accomplish and how it aims to work with the community, for example, directly or through an intermediary, given these goals. What is important, however, is that *foundation staff and board members (1) agree internally about their intended roles and can communicate them clearly to their community partners, and (2) have or intend to build organizational capacity to play these roles effectively.*

An early commitment to transparency by key foundation staff about roles and responsibilities, even as they are evolving, reinforces the importance of striving for clarity while at the same time acknowledging areas of uncertainty and the need to make adjustments as the work unfolds.

> **Case in Point:**
> ***Northwest Area Foundation's Community Ventures initiative  (multiple Northwest communities)***
>
> As it considered community engagement, NWAF aimed to shift its role from "funder" to "equal partner." But it did not accompany this shift with clear communications about its objectives and the roles and responsibilities of the Foundation and grantees. Nor did it effectively address the inherent power imbalance between itself and its partners. This led to unrealistic expectations about the role each party could play and, in some cases, contentious relationships between them in which the Foundation was perceived as being more directive than it had originally intended. An outside review of the initiative suggests several lessons for effective community engagement, such as building a relationship first before setting funding expectations; listening carefully to partners' perspectives even if they differ from those of the Foundation; and assessing community capacity and readiness through such strategies as working with embedded organizations that have significant community knowledge and influence. The review concludes that "a 'high-touch' approach to community engagement will stumble without a thoughtful and intentional approach…NWAF found that failing to match staff skills against program needs created significant challenges…."
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> Report available at:
> www.nwaf.org/FileCabinet/DocumentCatalogFiles/Other/GainingPerspective Full 1-14.pdf

5.  ***When planning and strategy development are not balanced with early actions that build momentum for the initiative***

Many place-based strategies are launched with a commitment to a community-wide planning process as an early engagement strategy. A key challenge that some initiatives have encountered with this approach is in balancing early investments in planning with other equally important early investments in actions that give the initiative visibility and momentum. One of the downsides of a significant investment in community planning is that a protracted planning period can set back the timeframe for implementation. An overly-long planning timeframe raises the frustration

> **Case in Point:**
> ***The Surdna Foundation's Comprehensive Community program in the South Bronx***
>
> Among the CCRP initiative's main contributions to the field was its use of a Quality of Life planning process as a tool for community engagement and priority setting; this approach has since been replicated in the Chicago New Communities program and other LISC programs, and has served as a model for more comprehensive community-based planning in other comprehensive initiatives. CCRP made deep investments in planning (CCRP had made two earlier attempts at community planning before attempting its more successful Q of L planning approach). But these investments were balanced with other actions designed to establish early "momentum" for the initiative. For CCRP, this meant identifying "a handful of difficult and highly visible projects that had been on neighborhood agendas for some time or would be at the top of priority lists once they began planning." Its early successes with concrete projects such as a much-needed supermarket helped boost CCRP's credibility within and beyond the community and reinforced the value of "planning while doing" as a critical working principle.
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> Report available at:
> http://www.omgcenter.org/sites/default/files/GoingComprehensive

levels of both community and external stakeholders, especially those with a low tolerance for this type of process; it delays decisions about significant new investments; and it lengthens the wait time before tangible results will be evident.  Nothing can be more crippling for a new place-based initiative than for it to be viewed locally (and beyond) as "all "process and no results."   Whether justified or not, this criticism is difficult to counter or recover from.

Some place-based efforts have deliberately tried to avoid this pitfall by following a "planning while doing" approach.  This approach addresses the advantages of launching early action projects (both small and large) in areas where there is already agreement and support even before planning is completed.  This approach avoids the constraints that come with an up-front investment in planning by building into the overall initiative design opportunities to respond to concrete problems and deliver visible community benefits. Such practical investments give visibility to the effort while also building credibility and momentum within and beyond the community.  For comprehensive initiatives in particular, the bigger goals will generally be difficult achieve and take years to accomplish.  Therefore, early action projects and investments are increasingly recognized as a sensible way of building confidence and enthusiasm for the harder work to follow.  Initiatives that require ongoing fundraising and additional partners need such momentum to not only reinforce planning but also build credibility, sustain partner interest and attract additional resources.

## Observations about Community Engagement

Ultimately, the choices made about how to enter and engage a community are uniquely local.  Decisions about approach will depend on: (1) the current conditions within the target communities; (2) the range of resources available locally (or beyond) that could be engaged in developing and/or managing the engagement strategy; (3) the preferences and capacities of the funder for managing some or all the engagement process as an internal program function; and (4) how the initiative frames the community engagement process in light of its goals and assumptions about how it will accomplish its goals.

Apart from the above choices related to engagement approaches and structure, every place-based initiative also involves numerous early decisions and actions that can have significant and lasting effects on subsequent funder-community working relationships.  Several consistent working principles can now be identified from across the range of place based initiatives that provide guidance for funders managing their entry into a newly identified target community.  Below we highlight two of those principles and pose questions that amplify their various dimensions.

1. *Select an entry point and strategy that is informed by a deep understanding of the neighborhood*

A consistent theme across numerous place-based initiatives is the length of time it takes to develop effective working relationships between neighborhoods and external partners. Each side must learn about the other's aspirations, resources, limitations, and realities. For funders, the nurturing of this relationship requires both knowledge and sensitivity.  This means talking with a diverse group of people both inside and outside the neighborhood to gather different kinds of information and different perspectives. It means reviewing the community's social and demographic data, getting to know its history and culture, its social and political dynamics, and its leadership and institutional strengths.   As it shapes its engagement strategy and paces the work in a way to match the community's needs and resources, a foundation should also explore the following kinds of questions:

- ❑ Are there organizations in the prospective community that have already demonstrated skill in engaging residents and other stakeholders and/or in assembling broader coalitions or building collaborative programs?

- ❑ Are there established tensions and rivalries among factions and competing entities within the prospective community that the engagement process will have to address?

- ❑ Has the prospective target community already produced a strategic plan or plans that involved broad community input? Was this previous planning process effective? Does its presence contribute to or hinder a new planning effort?

2. *Respectfully engage issues of race, class and economic inequality as challenges in the funder-community working relationship*

For the newly established working relationships between the funding entity or entities and the community to mature, there must be ways to acknowledge and problem-solve around these core issues within the partnership. Often these challenges are framed in language of mutual respect. Respect is about being able to listen and learn, and convey a commitment to honest exchange. It is about the humility with which an outsider approaches a community, with a genuine desire to understand and appreciate the conditions of poverty. It is also about honoring and supporting residents' competence as leaders. Respect has many permutations for community residents. It assumes racial tones when a person of color perceives disrespect from a white person, contributing to an undercurrent of tension that not infrequently runs through exchanges between poor communities of color and mainstream institutions. Issues of race and class and power must be acknowledged.

- ❑ How can an established foundation constructively demonstrate early on its good faith commitment to engaging with community leaders on issues of equity and racial and class differences as an integral part of the initiative decision-making?

- ❑ Are there complementary roles that foundations could play within the wider institutional and civic leadership sectors that would amplify and affirm their commitments to engaging with target community stakeholders on issues of economic, racial and class inequities into their community engagement activities?

# 4. Managing the Implementation of Place-Based Initiatives

Just as significant as the early decisions made about initiative design and the strategies used to engage a community are the myriad of practical choices made about how the initiative is actually managed and implemented. Much of the growing literature on place-based initiatives highlights lessons learned in the course of translating a place-base strategy into practice (Brown and Fiester, 2007; FSG, 2011; Harder + Company, 2011). Establishing partnerships, defining roles, setting collective expectations and accountabilities, deploying resources, managing misunderstandings and conflicts, addressing performance issues, handling communications and any number of other practical matters introduce new complexities into the work. Missteps can slow progress and threaten to derail an effort entirely. Alternatively, skillful implementation can enhance or improve an imperfect design, make it easier to resolve differences, support expanding partnerships, and increase the momentum and confidence needed to sustain an effort over the longer term.

This chapter addresses three different though related dimensions of implementation among foundation-supported initiatives.

- ❑ Managing key relationships with community and other implementing partners
- ❑ Creating an adaptive, data-driven learning enterprise
- ❑ Deploying foundation resources strategically

## Managing Relationships with Partners

A place-based initiative can flourish or founder based on the way that relationships are managed among the partners, whether these be between funder and intermediary, between the funder and/or intermediary and the designated lead or convening organizations, or between all the above and other stakeholders who may be identified as critical to implementation.

### *Identifying and working with community partners*

Because community partners are the lynchpin of place-based initiatives, the quality and clarity of their roles and the management of critical working relationships around them are among the most critical factors of implementation.  Mutual expectations in relationships with essential community partners need to be fully explored and defined at the onset of the initiative, including not only the criteria and process for how individual community partners are selected, but also the guidelines related to tracking performance and resolving issues that impede performance and, when appropriate, the conditions under which a partnership will be terminated.  These are fundamentally issues of shared accountability; working through implementation challenges can often be difficult in community settings where additional factors of power, race and class are present.  But partner relations are often easier to manage when there is a clear framework of expectations worked out in advance.

Given the complexity of comprehensive work, not every circumstance that could arise can be fully defined at the onset, but as discussed in the last chapter, an early investment in specifying the rules of engagement—assumptions about expectations and the locus of responsibilities for key decisions—can help in getting off to a good start and making future conversations about roles and decision-making easier.  When conflicts and uncertainty arise later, having some shared principles as a common point of reference can greatly simplify how implementation challenges are resolved within the framework of the community partnership.

### *Engaging additional partners and creating effective management structures*

Initiative designers have increasingly recognized the potential benefits of establishing additional working relationships within the target community and with a broad array of other partner organizations whose investments, expertise and political support could increase prospects for success.  However, decades of management writings have focused on how challenging this work is for even the most skilled leaders.

Depending on the initiative's goals and programmatic scope, the complexity of the community or communities being targeted, this network of relationships to be brought into alignment may be relatively tightly bounded or much more extensive.  It may be stable over time or subject to expansion and change as the initiative unfolds.  New management structures are often required to support work that is inherently complex, crosses sectors, addresses a multitude of interdependent problems, and involves an array of partners and program strategies that need to be knit together over a sustained period of time.

As described in Harder+Company (2011), one way that many place-based initiatives try to align multiple partners and actions regardless of their particular management structures is through "managing for

results." Farrow (in Kubisch et al., 2010) describes the processes, structures and tools that the Casey Foundation used in Making Connections to create a culture of results and results-based accountability. The goal was to infuse the entire initiative with a relentless focus on specific outcomes that discipline the choices and approaches partners take in fulfilling their commitment to achieving those outcomes. Another example is Good Neighborhoods/Good Schools: not only did the initiative set specific goals to be achieved by 2016 to which the funder is holding itself publicly accountable, but it also convened a 2016 Task Force of partners who agreed to meet regularly over a seven-year period to assess progress toward the 2016 goals (Fiester, 2011). These meetings aim to reinforce collective focus and create a sense of urgency that almost had a campaign-like flavor.

Kania and Kramer's (2011) concept of collect impact envisions a more tightly structured and disciplined approach to managing the contributions of multiple partners over time. They suggest five conditions for achieving collective impact: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communications, and the presence of a "backbone" organization that that brings dedicated staff who coordinate participating organizations and agencies and handle the "myriad logistical and administrative details needed for the initiative to function smoothly." Such an approach tends to be most useful when the initiative sets out to accomplish goals with specific benchmarks that can be assessed regularly.

One of the key functions of any management structure is communications. The complexity of a multi-faceted approach with so many moving parts and multiple players requires a communications strategy that reinforces the initiative's shared vision, conveys progress, sustains momentum, and guards against mission drift. Foster-Fishman and Long (2009) report that it can be difficult to keep all the players in a place-based initiative connected to the initiative's larger vision when they are funded to implement specific programs and strategies: "organizations became mired in the process of establishing their new programs, and residents became enmeshed in the hard work of improving their local neighborhood. As a result, important connections or changes that were critical to the larger vision were often ignored or forgotten." Like other initiative operations, communications need to be negotiated among all the partners so that everyone is clear which kinds of communications need review and/or approval by which parties.

## Creating an Adaptive, Data-Driven Learning Enterprise

One of the important shifts in how initiatives are managed involves a richer, more holistic understanding of how implementation must be linked with an ongoing commitment to continuous learning. This perspective affects how investments are made in working relationships, the use of data to inform decision-making, and the role of evaluation.

### *Learning and doing*

As described in Harder+ Company (2011) and Brown (in Kubisch et al., 2010), at the core of the work of complex, multi-partner place-based initiatives is the iterative process of learning and doing that allows all the parties to adjust and readjust their strategies in response to initial results and, in doing so, deepen their working relationships and build further capacity for effective implementation in real time. Learning by doing, however, only works if learning is translated into action in the form of new skills, improved practice, and more powerful theories of change or strategic action frameworks (Hanleybrown et al., 2012).

Place-based initiatives have employed a range of structures for learning. Peer networking, team problem-solving, small group exercises, communities of practice, reflective practice, learning retreats, "homework" assignments between meetings, collaborative inquiry, exposure to experts and readings.

For example, Good Neighborhoods/Good Schools devised a number of structures to promote learning among its staff, partners, and community liaisons: small Learning Grants for residents to collect useful data to inform planning; quarterly Learning Partners meetings that convened key staff, technical assistance providers and evaluators; Community Builders Leadership Institutes to deepen knowledge about community change; informal "Lunch and Learns" for staff sharing; and cross-neighborhood Learning Groups on particular topics generated by the work on the ground (Fiester, 2011).

Another initiative used learning-circle partnerships among grantees and foundation staff to explore how best to support leadership capacity development in low-income communities to create health (Reinelt et al., 2010).  The design drew upon five principles of effective group learning: create a supportive environment, build trusted relationships, be clear about purpose, focus on results, and promote synergistic learning.  The learning circles offered, among other things, an effective strategy for "*building evaluation thinking and capacity among grantees, mining cross-program learning, and testing out promising practices without making too many demands on the limited time and resources grantees have available*" (Reinelt et al., 2010).

Darling and Smith (2011) highlight the difference between course correcting and learning in order to improve future performance. They found that program officers and neighborhood partners working on the ground in a change initiative were able to learn when something wasn't working and change their approach in that neighborhood. But these neighborhood-specific lessons were not being captured in meaningful ways that could support learning to improve future performance throughout the network of players in the initiative's six target neighborhoods, let alone for the field more broadly. The task of aggregating lessons on the ground and translating them into improved practice and, ultimately, accessible knowledge for the field is a challenge that requires time and intention, as well as philanthropic investment.

Hamilton et al. (2005) examined the conditions that foster learning in community change initiatives and concluded, among other things, that:

❑ A culture that values and supports learning—and generates creative innovations—gives participants permission to admit confusion, struggle with what they did not know, experiment with new approaches, revamp as necessary and try again; and

❑ Learning derives from both formal knowledge from experts in the field and tacit or informal knowledge that is often the purview of experienced practitioners. A learning program dominated by experts can undervalue the wisdom of experience and context and stifle self-directed learning, while total reliance on peer learning limits a group's growth through exposure to ideas and knowledge generated elsewhere.

Funders who can model effective learning practices—listening well, communicating respect, and engaging fully as a learner—contribute significantly to an initiative's potential to do this more widely. Fiester (2011) observes that community change is not the sole responsibility of the people who receive the funder's resources but also of the funder's staff and leadership.  The fact that such a stance puts the funder's reputation at stake in a very public way should reinforce, not deter, its commitment to learning.

### *Using geo-coded data*

With the growth of place-based investment strategies has come a growing recognition of the value of high quality, geographically specific information available on regular basis to inform initiative design and measurement, and educate the community and broader public about neighborhood needs and assets. The gathering, analysis and presentation of relevant information – e.g., on demographic and market trends, changes in physical conditions, educational performance, crime and safety, access to

transportation and other essential services – has increasingly become the realm of more specialized data providers who combine the technical skills needed to extract data from an array of databases with an understanding of the unique data needs of researchers, initiative managers, and community residents.

Localized "data partnerships" represent a new form of collaborative resource for place-based initiatives that helps build the capacity of funders and community partners to make data-informed decisions.  Such partnerships are typically funded by a network of sponsors in order to ensure a continuing supply of sound information to address multiple initiatives and needs in the broader community.  The National Neighborhood Indicators Partnership (NNIP) is a collaboration between the Urban Institute and such data partnerships in 35 cities (see www.nnip.org).

### *Developing evaluation frameworks and performance benchmarks*

As discussed in Chapter 2, most place-based initiatives begin with an evaluation framework, often created through a theory of change or logic-modeling process that articulates goals and strategies and specifies measurable interim and long-term outcomes.  Most, but not all, contemporary place-based initiatives use this framework in some way to evaluate progress.  Such evaluations may or may not be formal and may differ significantly in scope and approach, ranging in style from more technical, at-arms-length relationships to more developmental approaches that involve more intensive interaction with initiative managers and key stakeholders.  With the recent shift toward more developmental evaluations, more evaluation "customers" are acknowledging the positive contributions that evaluations have made to improving the quality of implementation and enhancing the results of the initiative.

Performance monitoring is one of several key components of any evaluation strategy, as the ability to monitor one's own performance is increasingly recognized as a core competency in place-based initiatives.  As a result funders are investing more in building this capacity on the ground.  Many find that if done well and with sufficient support, using measures that are developed and agreed upon by all the relevant constituencies, ongoing performance benchmarking can help create a culture of results and data-driven decision making.

Kubisch et al. (2010) note that the time, intention and resources needed to evaluate multi-sector place-based work, and extract and apply learning in real time, are significant. These "evaluation costs," however, should not be viewed as competing with the costs of actually doing the work. Rather, they are more usefully viewed as inseparable from the work itself, ideally making the whole enterprise smarter, more powerful, and more sustainable.

## Deploying the Foundation's Resources Strategically

With the growth that has occurred in place-based work, ideas about what constitutes effective grantmaking are evolving.  So too are practices related to how essential but limited grant budgets are used to attract a far broader array of philanthropic, public and private investments into communities selected for a targeted strategy.  Place-based strategies now often include financial  and non-financial tools that extend their scope well beyond traditional grantmaking.

Grant funding may be combined with other types of non-grant investments including PRIs, loans and other forms of credit enhancement to leverage more private capital into the geographies where they choose to focus.  Funders with access to these varied philanthropic financial resources attempt to leverage additional public subsidy dollars and program investments, along with improvements in governmental systems and services, to amplify the impacts of their own actions on a target area.

Depending on their comprehensiveness, these financial leverage strategies may depend on program knowledge spanning multiple disciplines and may involve calculations of risk and reward that are significantly more complex than those typical to other areas of philanthropy.

Foundations also have a range of non-financial assets that they can bring to bear to advance their community change goals. They may draw upon their knowledge, reputations, civic positions and access to other decision-makers to highlight opportunities to reinforce the goals of an initiative through changes in public policies and practices or shifts in funding and investment decisions. They may focus their energies on broader communications and education strategies to change perceptions, or they may exert influence more quietly through well-established relationships with government, civic and business leaders.

### *Using grant funds for maximum impact*

Clearly, philanthropic place-based strategies will continue to rely heavily on the deployment of grant funds as a tool for achieving change within a target community. With decades of experience to draw from, there are now some emerging lessons about ways of putting limited grant dollars to optimal use.

One of the challenges that confronts grantmakers at the front end of any new comprehensive place-based strategies is the need to provide a clear, compelling description of what the strategy aims to achieve and how the scale of grant dollars available or being sought will be deployed to achieve the stated goals. We remain in an age of "outcome funding," when there is considerable pressure on funders and program managers to define ahead of time how funds are expected to be used and what those funds will help accomplish. Comprehensive initiatives often do not rest easily with this way of program budgeting. Nonetheless, most do attempt to tie grant inputs to specific, measurable results.

Within this general paradigm, we do observe a growing trend toward specifying the role of grant dollars *as a means for attracting and leveraging other types of financial support.* This support may take quite a few forms. It may include additional loans or PRI investments provided by the initiative funder and/or other philanthropic investors. And it may include varied capital investments from government and private sources. Capital leveraging strategies may focus on any number of investor types – for example, private or nonprofit real estate developers and investors, lending institutions, anchor institutions or larger private or public employers, new governmental, nonprofit or

**Case in Point:**
*Fall Creek Place as a concentrated market impact strategy in Indianapolis*

In Indianapolis, an intensive investment of public and private resources employed place-making principles to successfully revitalize and rebrand a well-defined section of an urban core neighborhood that had experienced deep disinvestment. Fall Creek Place is now a new mixed-income community that brought new residents back into the area and subsequently helped to stabilize residential markets within a broader geography adjacent to a well-traveled commuter corridor just north of the downtown.

This project, the first of its kind in Indianapolis, involved an unprecedented alignment of public and private capital and development expertise. The redevelopment plan began with a large-scale investment of grant dollars plus over $10 million in public subsidy dollars to acquire land and make infrastructure improvements. This investment, coordinated through an intermediary, the Indianapolis Neighborhood Housing Partnership (INHP), laid the groundwork for construction of some 400 new and restored historic homes along with new parks, sidewalks and other amenities. An experienced private developer was engaged to work with a nearby CDC to guide the overall project. Five participating builders offered a variety of housing types serving a range of household lifestyles. INHP worked with a local CDC to market the homes to nearby residents and offer pre-purchase homeowner counseling. Half the homes were sold to families of low to moderate income and the others attracted new market-rate investors. The approach has influenced subsequent thinking and spawned additional local initiatives that concentrate and align resources to restore health to deeply disinvested neighborhoods.

private tenants who choose to locate within a target area, and new investments from individual homeowners or smaller-scale business owners who are encouraged to remain in or move to that area.

We also see a trend toward retaining greater flexibility and "manager discretion" in determining exactly how grant funding will be used. Most initiatives starting now aim for long-term partnerships extending well beyond a single 2-3 year grant cycle. With the move toward longer initiative timeframes, there is usually a need to establish clear benchmarks along the way that define performance expectations and trigger the release of grant funds. By retaining flexibility in the use of funds, initiative managers are able to ensure accountability for results among grantees, whether they be community lead organizations or other program partners. Just as important, by retaining sufficient flexibility and discretion over how grant dollars may be deployed, initiative managers are better able to respond promptly to new ideas and projects when opportunities arise.

Another risk associated with large infusions of new grant funding is the inevitable problem of how to sustain innovative new programs once a new infusion of philanthropic dollars runs out, as it most surely will. There is more emphasis now than during the 1990s on how the activities that funders choose to support can be sustained with alternative, stable sources of funding. The guiding principal is that new grant support is most usefully directed toward creating the conditions needed for innovation and realignment of relationships and resources around a new way of doing things. The investment timeframe needs to be long enough to demonstrate results and prove the effectiveness and benefits of a new approach. For funders, the idea of having an exit strategy has always been important. In comprehensive place-based work, this sometimes translates into an emphasis on "system change" strategies that increase the prospect for public investments in new approaches once their value is proven. Sometimes it translates into "market change" results that are evidence of stabilization and recovery within a designated target area or economic or quality of life improvements affecting a resident population.

### Directing non-grant investments toward stabilizing or improving localized markets

There are now numerous initiatives underway in which funders are combining grant strategies with other financial tools

> **Case in Point:**
> ***Baltimore's Healthy Neighborhoods Initiative***
>
> More than ten years ago in Baltimore, the Baltimore Community Foundation offered leadership and staff support to the Mayor's Healthy Neighborhoods Initiative. This initiative was launched to encourage neighborhood and community development leaders to think in new ways about community revitalization for a group of Baltimore neighborhoods that fall "in the middle" of the spectrum of neighborhood health – places with signs of stability but also fragile real estate markets that could experience further decline without more focused attention. The initiative aimed to help people build financial and social equity in their homes through a strategy to make neighborhoods healthier places "where people are willing to invest their time, energy and resources and where residents can manage their own problems."
>
> The main elements of the strategy include: (1) below market rate financing the enables current residents to make standard setting improvements to their properties; (2) below market rate financing that enables new buyers to rehab their purchase up to the new standard; (3) an emphasis on small and varied block projects that help to re-weave the social fabric among neighbors and lead to visible changes in the neighborhood; (4) an emphasis on introducing positives into the neighborhood rather than a focus on solving problems; (5) an orientation of community organization staff towards being community marketers and helping residents to be marketers as well; (6) an emphasis on communicating a positive image and marketing this image to key audiences such as realtors, lenders and target markets; and (7) initial implementation of the strategy on the strongest blocks in a community.
>
> Linked with the strategy was a new capital pool of $40 million to support home purchases and improvements; that original pool has been mostly spent down and a new $25 million pool has been raised to continue this effort. A hallmark of the approach has been a strong focus on measuring changes in investment levels and market conditions. This same approach to measurement has continued and, despite the effects of the recent foreclosure crisis and housing market crisis, the neighborhoods targeted are generally outperforming other Baltimore neighborhoods.

and activities intended to stimulate complementary community investments that result in improved market health. Typically, these include acting as brokers and connectors to public and private actors who can expand the flow of resources and investments into a target community, or serving as policy advocates and champions for place-based investment.

Some high-profile innovations (e.g., Annie E. Casey's work in East Baltimore and Jacobs' work in San Diego) have exposed the potential for much **more aggressive non-grant investment approaches**. Currently, these are interesting exceptions rather than accepted tools for achieving impact and attracting a sustainable flow of resources. Thinking more broadly still, there are other ways that members of the philanthropic community who are committed to place-base community change could harness their collective might to advance a field-building agenda. Options include: (1) more financial incentives and inducements for private providers of investment capital to increase their lending in identified target areas; (2) strategies by which local and regional foundations serve as seed investors for new business ventures (e.g., the Cleveland Foundation's Evergreen economic development approach); and (3) efforts to expand the role of local CDFIs as sources of longer-term capital for new community change initiatives.

Some initiatives have placed greater emphasis than others on the balancing of need-based approaches with **strategies designed to transform neighborhood markets.** For proponents of more market-oriented targeting strategies, a central goal is the skillful deployment of grant and loan capital to leverage a range of new private investments that greatly extends the impacts of available program dollars. This means not just understanding the forces that are affecting neighborhood quality and competitiveness at the front end, but also measuring the effectiveness of strategies intended to change those forces. In Baltimore (see inset) and other cities that have followed similar models, the emphasis is on making more modest investments in well-defined target areas to increase the confidence of existing homeowners and increase the attractiveness of the neighborhood for new homeowners. Investments may include: (1) customized financial incentives for home purchase and improvement; (2) efforts to improve neighborhood branding; (3) social capital strategies to strengthen resident involvement in safety, greening and other physical improvement projects: and (4) direct involvement of residents in the social marketing of the neighborhood.

Similarly, several place-based initiatives have chosen to focus on **investments in high-**

> **Case in Point:**
> *Market Creek Plaza as a catalytic investment*
>
> The Jacobs Family Foundation's deep, long-term investment in the Village at Market Creek is built around a high-impact strategy to redevelop a 45- acre site strategically located to serve a several-neighborhood market area with some 88,000 residents in southeastern San Diego. This multi-faceted project is premised on a set of assumptions about the long-term benefits of community economic empowerment through resident ownership and asset building. Not only did the Foundation choose to move its headquarters and investment portfolio into the community, but it also chose to play a direct role in the initiative, acting as developer, leasing agent, construction company, and fiscal agent for resident projects.
>
> Jacobs uses a host of creative funding vehicles and leveraging strategies through which its investments in Market Creek are aligned with those of many other public and private investors. Market Creek Plaza, for example, has a three-part community ownership structure. One-third of the profits benefit individual community members through a system of private shares (implemented through an IPO); one-third benefit the community collectively through a locally-controlled philanthropy, the Neighborhood Unity Foundation; and one-third are reinvested in ongoing development for eventual conversion to a community-owned commercial entity.
>
> The investment results include: (1) a major grocery store anchor along with space and subsidies for a set of resident-owned commercial businesses ($4.5 million leveraged $23.5 million in investment); (2) a new $25 million community and conference center; (3) significant increases in economic activity, with over 30 new active businesses, more jobs and decreased incidence of violent crime; (4) an estimated 24,000 people participating in various cultural celebrations and learning experiences that reflect residents' multicultural traditions ; and (5) an amended plan that was approved by city council supporting future smart growth, transit-oriented development.

*impact, catalytic projects* to achieve market transformation.   One or more strategically chosen centerpiece projects of scale are linked with additional smaller investments to reshape the neighborhood's image and begin to create a "buzz" that attracts additional attention, visitors and ultimately more investment.  The targeted Strategic Initiatives neighborhood approach launched by Neighborhood Progress in Cleveland included as a core principle the investment in one or more anchor projects within each target area selected.  The East End Growth Fund, launched in Pittsburgh in 2001, is an example of a well targeted strategy to catalyze new private investments and strengthen markets in a defined target area along a commercial corridor serving several East End neighborhoods (see http://www.ppnd.org/media/ELDI_EEGF_Final.pdf).  With the launching in 2010 of Detroit's Woodward Corridor Initiative, Midtown Detroit Inc. is spearheading a sequence of investments in mixed-income, mixed-use housing projects as a strategy for stimulating increased growth in neighborhoods adjacent to its central arts and cultural institution corridor north of the downtown (see http://www.woodwardcorridorinitiative.org/).  The strategy has a strong focus on repopulating the area, with a goal of attracting some 10,000 new residents to the area through mixed-income housing investments, transit improvements, greeting projects and other more comprehensive efforts to improve education and workforce opportunities for existing residents.

Despite a few examples such as those noted above, the preponderance of thinking about how to advance this work is still relatively narrow and constrained.  A strategy for growing the field must expand the ways in which the philanthropic sector uses resources and influence, to broaden the scope of current efforts and help the field acquire greater relevance and impact.

### *Using non-financial (changemaking) resources to advance initiative goals*

Acknowledging the power issues inherent in community change, foundations have often found ways to act politically without being partisan by advocating for policies, practices and funding decisions that support an initiative's change agenda. These foundations use their own connections and reputations to draw attention to needs and opportunities in the field, develop support for change through enhanced communications and public education campaigns, and wield influence—behind the scenes or more publicly—with key political actors and institutions in government (Auspos et al., 2009). Few other civic actors have the independence, the patient and flexible resources, and the intellectual and political capital to assume these roles for the public good (Brown, 2012).

Effective place-based funders, especially embedded funders working in their

**Case in point:**
*The Skillman Foundation's Changemaking Work*

In order to address the urgent challenges facing children and families in Detroit, the Skillman Foundation decided to make more concerted use of its non-grantmaking resources—its staff and board networks, deep local knowledge, civic reputation, access to national resources, and political expertise—to become a more powerful voice for children.

Over a four-year period, it built its strategic competence internally, developed strong partnerships on the ground, and intentionally reached out to those with money, influence and power.  During this time it more than met its leveraging goal of $5 for every $1 invested in its six-neighborhood initiative.  Acting as an effective broker between the neighborhoods and outside resources, it took time to invest in relationships as a key part of the work and learned to inform its strategies with a sophisticated and nuanced understanding of potential partners' interests and motivations.  It also recruited and trained staff with finely honed listening and assessment skills, ability to navigate group dynamics, political acumen, and effective communication skills.  Finally, it paid a great deal of attention to making sure the staff and board were aligned regarding their understanding of the initiative, including its pace and how its progress would be measured. (See Brown, 2012).

hometowns, typically establish rich and trusting networks of relationships that position them to exert influence and add value through their non-grantmaking roles (Karlstrom et al., 2009).   Their ability to create change depends a great deal on their reputation, whereas the trust that contributes to their

potential as "changemakers" can erode if the work is not done well.  Brown (2012) argues that foundations are often viewed as insular and insulated from normal feedback loops and market responses. Changemaking requires just the opposite: "frequent communication about the foundation's goals and strategies and an ongoing invitation for critique and constructive input. This is not passive transparency but a much more active checking in with multiple parties with diverse views and competing interests." This stance can help to protect a foundation from strategies that are unsound, unnecessarily risky, or uninformed by current thinking and political realities.

Because changemaking work has few boundaries, questions about appropriate scope frequently come to the fore: when does a foundation take on a role itself, when is another community actor better positioned to do so, and when do they do it together?  When does a foundation invest in the long-term strategy of building others' capacities to do the work despite a pressing need for immediate action?  Such questions go to the heart of how to use limited foundation staff time and energy for maximum community impact (Brown, 2012).

## Observations about Implementation

Management of place-based initiatives is enhanced by embodying the principles of adaptive leadership: "the ability to focus people's attention and create a sense of urgency, the skill to apply pressure to stakeholders without overwhelming them, the competence to frame issues in a way that presents opportunities as well as difficulties, and the strength to mediate conflict among stakeholders" (Kania and Kramer, 2011). Adaptive leadership also depends on the capacity to learn. As Kubisch et al. (2010) suggest, long-term success depends on building broad problem-solving capacity among diverse players. This is why the traditional hub-and-spoke model, with the funder at the center of the work, is no longer appropriate (Chin, 2006).  Two implications of this adaptive partnership stance are highlighted below along with some questions for funders:

### 1. Consider what partners might join the effort from the start

No funder can transform a neighborhood alone.  Widespread recognition that community change requires many players has led foundations to reach out both formally and informally to a whole host of public, private, and nonprofit partners. These new partnerships constitute a powerful vehicle through which the work can get done and sustained, bringing diverse interests and resources to the table, and allowing foundations to spread cost and risk. Even if potentially time-consuming at the front end, there are many strategic advantages to engaging other funders and city resources in the design and implementation of a place-based initiative. Examples of relevant questions here include:

❑ What are the links between the goals of the place-based effort and the resources and policies of various public entities that could affect those goals? Which public partner(s) might be most helpful and how can they be engaged to complement the initiative's agenda without risking the loss of too much flexibility and control?

❑ Given the particular outcomes the initiative is intended to achieve, what other partners would be critical to engage early on in terms of their expertise, resources, political clout, or other assets? What individuals and organizations, if not invited in early, might present obstacles down the road?

❑ Does the initiative have a specific leveraging goal and, if so, what are the implications for identifying partners and champions as part of the engagement process?

### 2. Create time for reflection and vehicles for learning from the start

Reflection is the point in the learning and doing cycle where meaning gets made that informs future action. Foundations that establish structures for reflecting on progress with their community partners build an important asset for the initiative. The consistent adoption of even some relatively small changes in daily practice, such as debriefing meetings and articulating reasons for decisions as an initiative evolves, can generate powerful learning. However, people cannot learn from each other and from informed experimentation without trust. There are many ways to create trust but all of them take time, intention, and leadership from the top.  Questions to address early on include:

- ❑ How can a foundation communicate its early intentions in a clear and transparent fashion and signal its commitment to welcoming any and all feedback regarding the initiative as part of an ongoing community dialogue?

- ❑ What structures and processes for learning should a foundation develop early on so that it can document the engagement process and learn both internally and with its partners? What data will be most helpful to collect on an ongoing basis to help those involved in the initiative make decisions about resources and adjust strategy along the way?


## 5. Broader Conclusions and Guiding Principles

The preceding chapters have described how different placed-based strategies can be in their goals, design and execution.  Within this diversity of approach, we have focused on identifying a variety of common themes, acknowledged best practices, and practical guidelines with potentially wide applicability for those interested in launching new comprehensive community revitalization investments, or perhaps refining and redirecting existing ones.

In this final chapter, we step back from the particular lessons drawn about design and execution to conclude with a few broader thoughts that together capture a more general trajectory that we believe is emerging within the field, regardless of differences in localized strategies and contexts.   We hope that these broader principles will not only provide additional points of reference for the Heinz Endowments as it embarks on its own place-based initiative, but also provoke fresh thinking among other funders and initiative designers who may be contemplating how best to draw guidance from within this still evolving field.

### New Directions in Place-Based Thinking: Three Principles that are Changing Our Concept of "Initiatives"

We believe that despite the profound differences that we have pointed to in how individual place-based efforts have been framed and carried out, there are numerous broader lessons emerging.  Some of these lessons are truly focused on ways to improve practices within the field – in relation to community engagement, partnering, deploying staff and technical assistance, leveraging grant dollars, and using data and evaluation to promote continuous learning.  But some are also focused on how we think about philanthropic investments that take the form of "initiatives."  These more general ideas about how funders define and talk about their place-based work, and what they aim to achieve in the way of results, may be just as important over the longer term as refinements in practice.

In this final chapter, we offer a set of three working principles that together suggest an emerging shift in the field, toward a new way of conceptualizing place-based work.  Like others who have written about how the field is evolving, we see these principles as a promising development that would greatly change

expectations about the role and value of place-based investments, and also, possibly, help avoid some of the pitfalls and limitations often discussed in the literature.

1. ***Use geographic places less as units for measuring impacts and more as a focus for more systemic change strategies.***

For the field to advance, more realistic frameworks are needed to describe both the work that is undertaken and the results achieved in the highly complex and changing communities that have typically been the focus of comprehensive change strategies.   As noted in Chapter 3, there has been a tendency in the past to frame these ambitious and highly complex change initiatives using an overly prescriptive, outcome-based funding approach.   Too many change efforts have been "sold" based on a well-articulated but utterly unrealistic set of results that bear no possible relationship to the actual program interventions made or the scale of resources invested.

This kind of wrong thinking does little to advance the credibility of the work and can lead program designers and evaluators to overlook the more subtle but important impacts that community-based interventions can have on intra-community relationships and social capital, new and enduring institutional partnerships and program collaborations, service quality improvements, and even broader political and economic realignments that yield benefits long after the formal initiative has ended. Community stakeholders and practitioners on the ground often see these broader systemic changes as benefits, but they are easily overlooked in how place-based work is documented and assessed.

As the field of place-based work has expanded, there is growing emphasis on thinking from the start about how to scale up from a partnership with an individual community to one that encompasses a broader system-level strategy; this emphasis on explicitly connecting place-based initiatives to broader system change strategies is a core principle of The Integration Initiative launched in 2010 by the national Living Cities funder consortium (see http://www.livingcities.org/integration/). As the recent *Voices from the Field III* volume advocates, the field needs to become more explicit about what it takes to move from a network of relatively isolated, time-limited experiments to a broader-based strategy with potential to achieve greater scale and impact.  Most place-based change strategies largely ignored this fundamental scalability problem, but we will make little progress in the future unless we bring this problem into better focus.  And, because the philanthropic sector created this area of work, the burden falls squarely on philanthropy to incorporate lessons learned about what happens when funder-sponsored initiatives wind down.

In a response essay also in ***Voices III,*** Burns (2010) argues it would be more productive to frame the process of community engagement and change as an investment whose results are measured over decades—similar to the long-term, democratic institution-building strategies found in international development.  Following this line of thinking, the work of foundations should shift from well-bounded interventions to partnership-building strategies aimed at establishing platforms of financial and technical support that are anchored within a community and built to last.  This would encourage thinking beyond the grant resources at funders' disposal and toward a broader repertoire of resources, including convening authority, political clout, persuasion, and policy advocacy.

2. ***Adopt a more flexible and incremental approach to partnering that invites others into the work as it unfolds***

The majority of place-based initiatives are launched by and subsequently identified with the leadership and investments of a single lead funder or intermediary, or at best a relatively small group of funding entities. While the reasons for this are easily explained, the tendency for initiatives to have philanthropic

"owners" does not always yield the best consequences.  Defining and launching an initiative (usually accompanied by well-defined goals and strategies) tends to establish exclusivity of ownership. That in turn sets up challenges in building broader partnerships and coordinating with other efforts in the community that could greatly expand the array of resources a funder can bring to bear on the effort, and hence the scale of impact that is possible. The dilemma for funders is how to exercise leadership in a way that encourages others to collaborate and align their efforts in support of the initiative's goals.

There is growing acknowledgement in the field that initiative implementation typically takes place within a larger community ecology that may include multiple demands for the time and attention of funders, intermediary organizations and government leaders.  In some settings, there is competition from multiple place-based efforts. Backer and Kern (2010) underscore the need to avoid "collaboration fatigue" and other symptoms of organizational dysfunction suffered by communities (and individual leaders) who are involved in too many community efforts. While funders have sometimes operated initiatives as if they were freestanding enterprises, much more attention is being given these days to the strategic connections among them for collective impact (Kania and Kramer, 2011). This means building intentional linkages across program strategies, leaders and evaluations (Kubisch et al., 2011).

A logical response to this initiative leadership dilemma is for the sponsors and architects of place-based initiatives to adopt a design strategy that engages other prospective partners from the start in shaping the effort, and builds in opportunities for still other partners to align with the initiative over time, sometimes in ways that require some adaptation of the overall scope and direction of the place-based effort.

### 3.  *Incorporate principles of learning and doing more fully throughout the design and management of place-based work*

With a growing understanding of the complexity and challenges of sustaining place-based work, initiative architects are moving away from simpler, more specified models of initiative design in which clearly delineated goals and strategies are tied from the start to carefully-defined results.  Instead, they are moving toward more flexible approaches in which the design is "emergent" and results from a continuous cycle of learning and doing.  This model of "reflective practice" (Schon,1983), better recognized in other disciplines and professions, is gradually assuming greater prominence as its unique advantages are becoming better understood among those engaging in philanthropic place-based work. Foundations that invest in relationship building with community partners and other key stakeholders and work within those relationships to jointly reflect on progress and make adjustments in strategy based on those reflections are better positioned to engage in a different but no less powerful means of experimentation that better suits the complexity of the settings in which they are seeking to improve localized conditions and remake broader systems.
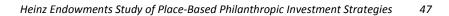
Earlier we cited the findings of Darling and Smith (2011) that program officers and neighborhood partners working on the ground in a Detroit community change initiative were able to learn when something wasn't working and change their approach in that neighborhood.  Yet, it has proved more difficult in that initiative, and we are sure in others as well, to capture those lessons in a way that could be shared as knowledge for the broader field.   This challenge of translating practical knowledge from reflective practice into design adjustments, and ultimately broader knowledge for the field, remains a critical hurdle for funders engaged in place-based work.

A growing number of observers of work in this field are pointing to the need for funders to become better at modeling effective learning practices in partnership with the grantees, communities and other partners with whom they are working.  The difficulties and potential risks in making this shift are well understood by funders including the financial costs of building into place based work adequate time and

resources for the kinds of learning and evaluation activities that better support real time learning.  Yet for some funders who have been working on initiatives of this type for some time now, the shift toward a more explicit framework that integrates learning and doing is inevitable if the initiative model is ultimately going to lead to significant and sustainable change.

## Final Thoughts

We undertook this review of philanthropic practices directed toward comprehensive community revitalization with a goal of looking critically at a broad array of efforts, both successful and unsuccessful, in order to inform possible development of a place-based strategic grantmaking initiative by The Heinz Endowments.  We started out knowing that for a study of this kind to be useful to Heinz, it should focus as much as possible on initiatives likely to be relevant to the Pittsburgh context and the types of grantmaking strategies a funder such as Heinz could undertake; provide a way of grouping initiatives that share similarities in contexts, purposes and change theories; and provide enough detail on how individual initiatives are actually shaped and executed. Those three guidelines have helped us frame the content of this study.

As we moved more deeply into the work, we discovered, like others, that although the field can no longer be viewed as "new," it remains very much in flux. Besides significant differences in the purposes, approaches and strategies that define individual initiatives in the context of unique local circumstances, there are still differences in perspective about what the intent of place- based work ought to be and what expectations are reasonable as regards results. This is challenging for those searching for meaning across these different cases, particularly in relation to ideas and practices that have "worked" and the significance of the outcomes that were achieved. We understood from the start that the design choices that any one funder might make would depend on its particular goals and the unique context in which it works. Those differences aside, we have offered our best synthesis and interpretation of the evidence to date.  What is clear, however, is that to move forward, we need to redouble our field-building efforts and invest more intentionally in cross-initiative learning and more strategically in the development of knowledge that can be applied locally. Such progress will depend in part on the willingness of funders to connect the initiatives they support to the larger field in ways that generate more systematic experimentation and analyses so that the "learning and doing" cycle takes place at both the initiative and field levels.

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