Hard Lessons about Philanthropy & Community Change from the Neighborhood Improvement Initiative

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This is the story of a philanthropic initiative that did not meet the expectations of its many stakeholders. Given the challenging social problems that foundations and our grantees try to solve, we should expect that we will often fail to achieve our shared aspirations. When this happens, we should seize the opportunity to understand the causes in order to improve our own performance and benefit others working in the field.

From 1996 through 2006, The William and Flora Hewlett Foundation committed over $20 million to a Neighborhood Improvement Initiative (NII), an initiative designed to improve the lives of residents in three Bay Area communities—West Oakland, East Palo Alto, and the Mayfair area of East San Jose. The Hewlett Foundation enlisted three community foundations as "managing partners," and we created new organizations as well as involving existing ones in the neighborhoods. The NII was intended both to achieve tangible improvements for residents and to strengthen the long-term capacity of the community foundations and neighborhood organizations to sustain change.

While the West Oakland project self-destructed early on, the NII left Mayfair and East Palo Alto better than it had found them, and helped create organizations that continue to serve their residents in youth development, education, public safety, and other areas. Despite the huge investment of financial and human resources, however, the NII fell far short of achieving the hoped-for tangible improvements in residents' lives. While some stakeholders view characterizing the NII as a failure as too harsh, it certainly was a great disappointment.

Learning from failure or disappointment is more easily said than done. Understandably but regrettably, "failure" is treated as a dirty word in the nonprofit sector. While the main cost of a foundation's acknowledging failure is some bruised egos, other organizations' future funding may be on the line. In any event, consistent with the adage that victory has a thousand fathers but defeat is an orphan, unsuccessful ventures more often lead to finger pointing than reflection. Thus, the learning process begs for the perspective of a neutral party.

The entire field is fortunate that two acknowledged experts in community development were willing to undertake this study, and also fortunate that many participants in the NII were willing to speak frankly to them. In the face of the Rashomon-like quality of this complex venture, Prudence Brown and Leila Fiester have done a remarkable job identifying what is known and what is contested. Most important, they have drawn valuable conclusions that will help others who are undertaking comprehensive community initiatives.

I leave it to their study to describe implications for the field. Here, I will just mention the major lessons that the Hewlett Foundation took away from the experience. For us, it reinforced the critical importance of clarity about goals, strategies, and indicators of

progress, as well as the need for all the participants in a joint venture to agree on these matters at the outset. This does not foreclose significant course corrections along the way—but that term implies that there is a course to correct, and this was not always evident in the NII.

At any given time, the NII had a mix of substantive and capacity-building goals for improving residents' lives and building indigenous capacity to continue doing so after the initiative ended. But the specific projects were constantly changing, and the strategies never quite kept up with them, nor did efforts to assess their progress. Indeed, it was not until some time into the venture that the NII articulated and pursued clear, tangible objectives for improving the communities and began to assess progress toward them.

Efforts to strengthen disadvantaged communities require perseverance, patience, and sustained focus on a limited number of strategies. The role of evaluation is seldom to determine whether one has ultimately succeeded, but rather to give the participants the feedback necessary to know whether they are on the path to success so that they can make adjustments if they are not.

Like most of the other participants, we came to understand these principles better during the course of the NII. The Foundation's efforts to induce other NII participants to focus on outcomes were seen as heavy-handed, doubtless with some reason. Given the complex relationships among the various organizations, and the power dynamics that infused them, what the Foundation intended as helpful interventions were sometimes taken as capricious intrusions.

The NII experience has not made us skeptical about undertaking ambitious systemic approaches to social change locally and globally. But it has given us a renewed understanding that such change is as difficult as it is important. It has heightened our consciousness of the power that funders wield. And I hope that it has improved the Foundation's ability to wield that power respectfully at the same time that we press grantees and ourselves to attain the clarity of goals, strategies, and feedback that is essential to such ventures having even a chance of success.

For all the problems described in the report, we are proud of our partners' and our own work in East San Jose and East Palo Alto—work that continues to bear fruit. And we continue to collaborate productively with Bay Area community foundations to improve the prospects for disadvantaged communities in the region.

I hope that readers will find Prudence Brown's and Leila Fiester's report as helpful as my colleagues and I have.

Paul Brest, President
The William and Flora Hewlett Foundation

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Between 1996 and 2006, the William and Flora Hewlett Foundation invested over $20 million in the Neighborhood Improvement Initiative (NII), an ambitious effort to help three neighborhoods in the Bay Area reduce poverty and develop new leaders, better services, more capable organizations, and stronger connections to resources. On some counts NII succeeded, and on others it struggled mightily. In the end, despite some important accomplishments, NII did not fulfill its participants' hopes and expectations for broad, deep, and sustainable community change. In those accomplishments and shortcomings, and in the strategies that produced them, however, lies a story whose relevance exceeds the boundaries of a single initiative. Our goal is to examine this story in the context of other foundation-sponsored initiatives to see if it can help philanthropy support community change and other types of long-term, community-based initiatives more effectively.

As we began to review materials and conduct interviews, we learned of NII's accomplishments in each neighborhood, including new organizations incubated, new services stimulated, and new leaders helped to emerge. We also quickly discovered multiple, and often conflicting, perspectives on NII's design, implementation, and outcomes that were hard to reconcile. Some of this *Rashomon* effect is to be expected in a complex, long-term community change initiative that evolves over time with changing players. Some can also be attributed to the different dynamics and trajectories in each of the three sites.

We have tried to describe all points of view as accurately as possible without favoring any one perspective. Moreover, we have tried to look beyond the lessons drawn exclusively from NII and to position all of these varied opinions within a broader field-wide perspective, wherever possible.

The frustrations of NII's participants and sponsors are mirrored in many other foundations' major initiatives. Indeed, our reviewers—who have been involved in many such initiatives as funders, evaluators, technical assistance providers, and intermediaries—all underscored how familiar they were with the challenges and pitfalls described here, both those related specifically to community change efforts and those pertinent to other initiatives. Because the opportunity to discuss the frustrations candidly has been limited, however, they often are relegated to concerns expressed *sotto voce*. So it was particularly important throughout the review to solicit from our interviewees[1] ideas or suggestions for improving their work together. We offer these along with our own observations as a way to stimulate further reflection and debate, because we believe that philanthropy has an important role to play in improving outcomes for poor communities and their residents. Few foundations have been willing to contribute to this level of honest and sometimes painful public dialogue. But by commissioning this retrospective analysis, the Hewlett Foundation demonstrates a desire to help the field learn and move forward, and we applaud that.

NII'S CORE COMPONENTS

NII began with **six goals**:

1. Connect fragmented efforts to address poverty-related issues in select communities.
2. Improve the capacity (proficiency and resources) of participating community-based organizations.
3. Improve Bay Area community foundations' capacity to support neighborhood improvement.
4. Develop neighborhood leaders by creating a vehicle for increasing resident involvement in neighborhood planning and improvement strategies.
5. Leverage significant public/private resources to support community improvement.

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[1] Staff from Hewlett and the participating community foundations, evaluators, technical assistance providers, and community representatives.

6. Provide long-term statistical evidence of changes in poverty indicators (e.g., unemployment, welfare dependency, vacant and abandoned structures).

NII's basic design elements included: a one-year, resident-driven planning process; six years of implementation (per site), supported by grants, technical assistance, and training; designation or creation of a neighborhood-based lead organization to oversee implementation; local advisory committees with representatives from the public, private, and nonprofit sectors; partnership with community foundations to manage the work; site-level data collection and development of a tracking system; and a multi-site implementation evaluation.

Hewlett turned to local community foundations to serve as "managing partners," one for each site. Their role was to: identify the local lead agency; help the lead agency create a resident-driven collaborative to develop and implement a neighborhood improvement plan; administer a grants program; create and manage an advisory committee; administer funds for training and technical assistance; and leverage resources.

Hewlett selected three sites to participate in NII. **Mayfair** began in 1996 with the Community Foundation of Silicon Valley (CFSV) as managing partner of what came to be known as the Mayfair Improvement Initiative (MII). Key outcomes of MII's work include physical improvements, more resources invested in Mayfair, and stronger organizational collaborations and neighborhood leadership. The use of promotores (community educators and outreach workers) helped families obtain health insurance and prepare their children to succeed in school. Hewlett's $6.3 million leveraged $9.6 million in additional funds for Mayfair. In 2006, two years after the formal end of the Neighborhood Improvement Initiative in Mayfair, MII operates with substantial credibility and increasing capacity.

West Oakland began in 1998. The San Francisco Foundation (TSFF) served as Hewlett's managing partner for what was called the 7th Street McClymonds Corridor Neighborhood Improvement Initiative. Unable to find an appropriate lead agency within the neighborhood to oversee the planning process, Hewlett asked TSFF to serve that function, too. It took two-and-a-half years before the 7th Street McClymonds Corridor NII stepped into the role. Hewlett and TSFF hired consultants to help it gain nonprofit status, develop signature projects, formalize grant making, and adopt community-wide outcomes, but mistrust of outsiders and factionalism in the community undercut the fledgling organization. During this time, the 7th Street McClymonds Corridor NII made 57 grants worth a total of $1.6 million. The quality of the grantmaking improved over time, but little data exist on project outcomes.

In 2001, the executive director of the 7th Street McClymonds Corridor NII was terminated. Internal politics undermined the search for a new director so thoroughly that TSFF and Hewlett decided to dissolve the organization. TSFF administered a final round of grants and persuaded Hewlett to support six months of planning to transform a school-based health center at McClymonds High School into a youth and family center that integrates and coordinates health, youth development, and social services. The center is now in its third year of operation and is being evaluated by the University of California's Institute for Health Policy Studies. Hewlett provided support for the first two years of the evaluation.

The third site, **East Palo Alto,** began in 1999 with the Peninsula Community Foundation (PCF) as managing partner and One East Palo Alto (OEPA) as the local intermediary that emerged during the planning process. PCF immediately raised an additional $1.1 million and leveraged $1.5 million for NII implementation, but PCF leaders disagreed with Hewlett over how communities change, what the pace of change should be, and how best to develop civic capital. PCF resigned as managing partner in 2002 and Hewlett assumed the role. Staff and board members' inexperience, turnovers in leadership, fatigue, and strife within OEPA's board challenged the initiative in East Palo Alto. Over time, however, OEPA began to focus—first on jobs, education, and crime and later on youth employment, job readiness, and leadership projects. Police, public officials, and residents have joined to reduce crime through a special task force,

block clubs, neighborhood marches, and mentoring for at-risk youth. Other activities produced English-language classes for adults and after-school enrichment for children; new and stronger resident leaders, social networks, and community organizations; job placements and support to local entrepreneurs; and greater investment of public and private resources in the neighborhood.

Besides the concrete benefits that NII brought to residents in each neighborhood, the initiative incubated or laid the groundwork for additional investments that the Hewlett Foundation made even as NII came to a formal end. In East Palo Alto, for example, Hewlett has provided direct support to the Opportunities Industrial Center West and other providers to serve 452 youth over two summers and, with the Foundation's Education Program, made significant investments in improving in-school and after-school program instruction and increasing parent engagement in the Ravenswood City School District. These positive developments illustrate how extended follow-up can boost the long-term value of an initiative like NII.

IMPLEMENTING KEY ELEMENTS OF NII'S THEORY

As with many other foundations' initiatives of the era, Hewlett staff did not develop a detailed theory of change that specified all the connections between each of NII's six goals, the strategies to achieve the goals, and the assumptions underlying the connections. But they did articulate an overall theory that "improvement in the physical, social, and economic conditions in lower-income neighborhoods will result from the active involvement of residents in community planning and decision making processes, in combination with a comprehensive, coordinated, multi-year strategy to address the problems that impair the quality of life in these neighborhoods."

Thus **resident engagement** was a key element of NII's approach. NII began with a planning process in which a diverse group of residents came together to develop a vision for the neighborhood and a plan to achieve it. Hewlett's only guideline for this process was that residents make up at least 51% of the planning group. Like some other foundations, Hewlett did not specify the operational meaning of "resident-driven," nor did it articulate a strategy for identifying and developing resident leaders who could ultimately take charge of NII.

As time went on, NII encountered the same issues involving residents' authority and responsibility that have surfaced in other community change initiatives. Wanting to honor its commitment to a resident-driven process, Hewlett approved all three community plans despite serious misgivings about the sites' abilities to knit together a coherent approach on the basis of the numerous projects they proposed. To build local capacity, Hewlett paid for technical assistance that exposed resident boards to best practices, supported visits to model programs, and brought national experts into the neighborhoods to stimulate new thinking. But Foundation leaders grew increasingly frustrated with what they saw as a lack of strategic direction in all three sites, and they ultimately introduced new requirements for focus and approach. This led the sites, in turn, to question the Foundation's commitment to resident priorities and decision-making.

A second element of NII's approach was the **creation of a neighborhood intermediary.** Although Hewlett did not set out to establish new intermediaries, by the end of the planning period each of the neighborhood boards, in concert with its managing partner, had determined that it needed to create a new nonprofit organization. Most of our interviewees consider the neighborhood intermediary a good vehicle for accomplishing NII's community change goals but are critical of how NII implemented the intermediary strategy. It took a great deal of energy and technical assistance to create and nurture these new entities' capacity for basic functions like creating a mission statement and by-laws, electing a board, locating and hiring staff, regranting funds, etc.—let alone to develop their strategic capacity, which typically grows only through trial and error, experimentation, and revision. NII's neighborhood intermediaries struggled because they lacked strategic capacity, and Hewlett struggled to find ways of helping them become more strategic within NII's timeframe. Some participants now say it is

unreasonable to expect ambitious results within six years from a start-up organization with an inexperienced board.

Connecting neighborhood improvement efforts to the larger region was a third element of NII's approach. Recognizing that low-income neighborhoods often are isolated from external resources and expertise, Hewlett required each site to establish an Advisory Committee composed of diverse movers and shakers from the public, private, and nonprofit sectors to provide expertise, access, strategic advice, social connections, and additional resources. This approach reflected recent thinking about the limitations of change strategies that focus solely within the neighborhood, and it was well received throughout NII. The Advisory Groups and the technical assistance that sites received to "think regionally" gained traction from time to time within NII and produced some important partnerships between the neighborhood intermediaries and regional organizations. The overall impact was limited, however, because the sites had so much on their plates that they were unable to benefit as consistently or deeply as they would have liked.

A SHIFT IN HEWLETT'S APPROACH

In 2000, a leadership change at Hewlett brought a heightened focus on articulating clear objectives and measuring progress toward them. The result was that Hewlett staff applied an **explicitly outcomes-based framework** to NII in late 2001. It included restructuring around a small number of community-wide outcomes, cornerstone projects developed to address each one of these targeted outcomes, and the development of logic models specifying target populations, project outcomes, and performance measures. Hewlett arranged for substantial technical assistance to help sites develop the new framework, with the idea that *pursuing results* was not optional but the choice of what the outcomes would be, and what strategies sites would use to achieve them, was up to the local partners.

Hewlett staff felt great pressure to demonstrate positive results, and they conveyed that sense of urgency to local partners. In their view, the sites had shown very little in terms of any tangible results and little promise in terms of choosing strategies and interventions that plausibly would lead to such results in the future.

The changing paradigm did not sit well with NII's managing partners, local lead agencies, or neighborhood partners, however, and it became a lightning rod for problems in the relationship between local NII partners and Hewlett. From Hewlett's perspective, the amount of money being invested in NII justified closer attention to whether the initiative was on track to achieve positive results. Furthermore, the idea of targeting outcomes wasn't entirely new to NII; nor was the initiative sailing smoothly before the intervention. The dysfunctional dynamics within West Oakland and East Palo Alto left "little, if any, indication that these communities would achieve any of our shared goals" without intervention, a Hewlett source says.

From the sites' perspective, the new framework changed the rules of the game midstream. The effect played out differently in each neighborhood, however. Mayfair had been functioning long enough with strong local leadership that it was able to incorporate some changes without derailing its direction and momentum. West Oakland's significant internal challenges limited the energy it could bring to respond to Hewlett's request. The negative dynamics were most intense in East Palo Alto, the site that was "youngest" and where Hewlett ended up taking on the managing partner role. In all sites, however, the difference in perspectives between how Hewlett and other NII participants experienced the adoption of a more explicitly outcomes-based framework illustrates the *Rashomon* effect described earlier. And in all sites, angst over *how* the outcomes framework was introduced overwhelmed the discussion about *what* outcomes should frame the work.

When differences like these are not resolved, they spill over into other dimensions of the initiative. For example, many of Hewlett's collaborators saw the changes as a direct challenge to one of NII's core

elements, the critical role of residents in driving the work. Clearly, both Hewlett and the sites wanted the work to generate positive outcomes and wanted residents to play a role in achieving them, but each had a different perspective on how to connect resident engagement to outcomes. Unfortunately, two factors limited NII's ability to advance the field's knowledge on this point. First, NII's original theory of resident-driven change was not fully tested. We do not know, for example, whether the sites would have eventually gotten to outcomes on their own, in their own way, if Hewlett had not intervened, or what those outcomes might have been.

Second, NII doesn't provide a good test of the value of an outcomes framework. Even though Hewlett allowed residents to select the outcomes they wanted NII to produce, the introduction of the framework midstream was experienced by sites as changing the rules of the game and, in some cases, as disrespecting resident voice, which ultimately limited the degree to which participants embraced it. Further, we know from other initiatives that it takes significant time and effort to build capacity for self-evaluation and outcome tracking in a new community organization. Expecting NII's nascent local organizations to develop this capacity midstream, even with substantial assistance, yielded only modest success.

MANAGING CHANGE: COMMUNITY FOUNDATIONS AS PARTNERS

Hewlett's choice of community foundations as NII's managing partners offered several advantages for both parties. Hewlett could partner with a foundation that was closer to the community, had substantial fundraising capacity, and would be working in the community long after Hewlett moved on. The community foundations, meanwhile, would gain dedicated human and financial resources to augment their work in the neighborhoods. Both parties invested substantial amounts of time and resources, resulting in some positive outcomes in the target neighborhoods. But the relationship between sponsoring foundation and managing partner was often difficult and sometimes untenable. The challenges were neither Hewlett's nor the community foundations' alone but characterized the way each party related to the other, often to their mutual disadvantage.

Challenges included differences in foundation goals, capacities, and cultures; role confusion; the power dynamics typical of grantor/grantee relationships; and lack of clarity about mutual responsibilities and accountabilities. Hewlett expressed disappointment that the community foundations seemed to lack strategic capacity and had trouble meeting NII's financial management and reporting requirements. The community foundations, in turn, often felt that Hewlett did not treat them as respected partners and lacked a commitment to (and strategy for) building the community foundations' capacity, which was one of NII's stated goals.

The following observations aimed at improving the quality of the partnership are based, in part, on what we heard from Hewlett and community foundation staff as well as other interviewees:

- Make sure the sponsoring foundation's and the community foundation's board and staff are clear and in agreement internally about the initiative's goals, strategies, risks, and timeline for achieving results.
- Treat the community foundation as a fellow change agent rather than as a technician.
- Take time to understand each other's goals, capacities, and cultures.
- Bring the community foundation into the initiative early enough to develop a shared vision for change.
- Address the dynamic that unequal power brings to the relationship.
- Establish a tone of mutual respect, transparency, and shared risk-taking.
- Build the relationship between institutions, not just individuals.
- Clarify roles, mutual accountabilities, and rules of engagement.

CAPTURING CHANGE: EVALUATION AND LEARNING IN NII

Community change initiatives are notoriously hard to evaluate because of their complexity, broad scope, dynamic nature, and vulnerability to uncontrollable variables. Deciding what to measure, how to measure it, how to collect the data, and how to interpret the results is a challenging process that involves many tradeoffs of rigor, practicality, and resources. Nonetheless, every community change initiative offers an opportunity to assess progress toward goals, to help participants learn better strategies, and to build knowledge within the field of community change.

NII's evaluation grew to encompass **an implementation study and performance data tracking**. The first was very similar to that of other community change initiatives at the time: the evaluator reviewed documents, observed site activities, interviewed key stakeholders, and then produced rich and detailed descriptions of how NII unfolded in each site, along with an assessment of strengths and weaknesses and recommendations to advance the work going forward.

Initially, Hewlett gave its managing partners responsibility for establishing and tracking performance indicators at each site. By 2001, however, it was clear that none of the sites had a robust data tracking system. Concurrently, the Foundation's new president and board were asking about NII's impact and the "statistical evidence of changes in poverty indicators" described in NII's design. Concerned that the initiative could be undermined by the lack of uniform data collection, Hewlett staff hired a second firm to take responsibility for collecting performance data.

The evaluators found it very hard to integrate the two evaluations. Moreover, they shared a major dilemma: The broad theory behind the initiative was that an "empowered" community would figure out what strategies work best to turn the corner on poverty, but there was no conceptual framework or pathway to link that theory with outcomes. The large number of projects—many of which served only a handful of residents or did not target the same residents repeatedly to achieve a cumulative effect—made demonstrating population-level results or linking strategies to specific outcomes out of the question. A more robust and unifying theory of change might have helped NII shift from a narrowly programmatic set of outcomes to a focus on the community-level results to which the initiative ultimately aspired. Finally, both evaluation teams struggled to identify and measure community capacity outcomes.

Neither evaluation strategy pleased most of the people most of the time, although at different times among different subsets of NII participants, each was deemed valuable. However, Hewlett staff would have preferred more analytic, less descriptive reports with recommended changes that were more tightly linked to the analyses, and they were disappointed that the performance data did not generate a deeper level of analysis. The evaluators, in turn, felt that Hewlett's expectations for evaluation were constantly shifting and sometimes unrealistic, and they were not prepared or inclined to modify the basic design of the evaluation midstream in the initiative.

Many of these challenges are familiar ones for community change initiatives. When queried about ways to address them, we heard the following:

- Establish at the outset an evaluation framework and a shared agenda for learning about community change.

- Draw upon the expertise and varied perspectives of an external advisory committee for evaluation and learning, throughout the life of the initiative.

- Don't start implementation without a shared definition of success and how it will be measured. This is not a call to specify outcomes prematurely or to cleave rigidly to obsolete measures of success; it is simply a recognition that, more often than one would hope, foundations and their partners do not

make explicit at the outset their assumptions about what changes they hope to see in the target communities or how they expect to know whether such changes have occurred.

- Allow room for the definition of success to shift and evolve as people learn what is possible and effective, as relationships deepen, and as the work matures.
- Recognize, measure, and track a full range and continuum of outcomes, including changes in capacities and behaviors, instead of categorizing results as processes vs. products or rejecting "soft" outcomes.

- Don't confuse outcomes thinking with outcomes measurement. It is very useful for people think in terms of the outcomes they want to achieve, but it is equally important not to let the challenges of measurement narrow the scope of legitimate outcomes or the results that matter.

- Recognize that grantees may not have capacity to track progress toward outcomes, and they may not be able to provide data to the evaluators charged with collecting them. It is often necessary to build grantees' (and communities') capacity around data and evaluation.

- Put mechanisms in place to explicitly support learning (e.g., evaluation and other information collection, reporting processes, time for relationship- and trust-building, facilitated opportunities for learning and reflection).

- Match evaluation tools to their purposes. For instance, a cross-site database is most useful if sites are tracking their progress with numeric measures; otherwise, narrative reports may be more useful.

- Position evaluation as a tool for improving practices and nurturing the change process as well as for gauging outcomes. At a minimum, this means (a) establishing the expectation that evaluation data will inform and guide participants, in real time; and (b) having a process and dedicated time for sharing results with practitioners, so that data can be used in meaningful ways.

- Consider a phased approach to evaluation, linked to phases in the initiative's own evolution and the iterative process of learning while doing.

- Tap residents' indigenous knowledge while also sharing good ideas gleaned from other communities and initiatives.

- Ensure that foundation staff, as well as grantees, understand evaluation's requirements and limitations.

- Be realistic about what can be done to capture the initiative's results, given the nature of community change and the available time and resources.

- Model the learning process at all levels. Hold everyone, including funders and partners, accountable to the same standards for clarity on outcomes.

- Promote learning across sites and among partners, not just within discrete pockets of activity.

- Cultivate a flexible learning stance.

SUPPORTING CHANGE: SUFFICIENT AND APPROPRIATE RESOURCES

NII's experience suggests four essential resources for foundation-sponsored community change initiatives:

Resource 1: A long timeframe for change. Hewlett's timeframe for NII (one year of planning and six of implementation per site) was generous for its day. In theory, it gave local partners leeway to tackle recalcitrant issues, build the necessary relationships and capacities before taking action, and involve people and organizations that had never participated in this type of work before. In reality, however, the angst around adopting an outcomes framework disrupted the work so thoroughly in at least one site that NII essentially had to start anew. Furthermore, although each NII site had a year-long planning phase, none of the sites was ready to begin when its planning period ended. Observations about this resource include:

- Initiative funders, managers, and implementers need to agree on a reasonable expectation for how long it will take to do the work. If the timeframe doesn't allow enough time to get the work off the ground, it may not be worth launching the initiative.

- The timeframe should ensure sufficient time for new ideas and behaviors to take hold and for participants to ride out the rough spots, without making such a long commitment that it removes the immediate pressure to get results.

- Talking explicitly and repeatedly with participants about the rationale and strategy for the timeframe may help to keep expectations in line with reality.

- The transition from one phase of the initiative to the next (e.g., from planning to implementation) should be determined by whether the site has reached essential milestones rather than by arbitrary timelines.

- Within a timeframe, the sequencing of activities is important. In particular, an emphasis on relationship building and small, tangible successes can pave the way for bigger achievements.

- A long timeframe alone won't always get to the right results. If the initiative is struggling too hard, for too long, on too many levels—if essential milestones are unreachable and relationships irreparable with the amount of time and money available—it may be time to end the initiative, change grantees, or adjust the amount of funding (up or down). Each foundation has a unique set of factors to consider when contemplating whether to cut losses and end an initiative, including its broad organizational priorities, alternative options for using the money, and whether the funders' long-term credibility can weather negative publicity in the short term.

Resource 2: An adequate amount of money, disbursed strategically. No matter how they feel about other matters, NII's partners, participants, and observers praise Hewlett for the amount of money it committed to the initiative and for continuing to fund the effort generously despite the challenges that arose. Clearly, money is an essential resource. But NII also illustrates the fact that how one positions this resource in the initiative, and how one disburses it, are almost as important as how much money one has. NII demonstrated that:

- Making the managing partner responsible for raising funds and residents responsible for spending them creates an inherent tension around money.

- Leading with money distorts expectations for what the initiative will accomplish, both within the foundation and in the neighborhoods.

- Leading with money can create local expectations that (a) every site will get the same amount of money regardless of their need and their performance, and (b) every site will receive its allotted money whether or not people are ready to spend it well.

- It is possible to overwhelm a site with resources before people and organizations are ready to use the resources effectively.

- Resident involvement brings the community's preexisting power dynamics to the surface. The choices made about how to organize and engage residents will determine whether resources go to gatekeepers—individuals and organizations who may or may not represent the neighborhood's best interests—or to democratic processes that ensure all voices are heard.

- Big money often is necessary to produce big results, but it comes with tradeoffs. It can get bottlenecked in a single grantee that doesn't yet have the capacity to spend effectively; and it can distract partners from substantive issues. This phenomenon makes it important to accompany money with structures and strategies (such as system for making mini-grants) that make sure the money is used well.

- Foundations' grant cycles are not aligned with the pace of neighborhood change, and the pressure to meld the two can undermine choices.

- Leveraged funds aren't always what they seem to be. Sometimes they are new, additional resources; sometimes they represent co-funding by grantmakers who would otherwise invest the same amounts but separately; and sometimes they are funds diverted from another, perhaps equally important purpose. All three types of funding are worthwhile in their own way, but it is important to recognize that some "leveraged" funds may come at a cost to other endeavors and neighborhoods.

Resource 3: Human effort, knowledge, and commitment. It takes intense effort, sustained commitment, and an evolving knowledge of "what works" to change the way people think, act, and experience life. NII's experience suggests that:

- Community change is labor-intensive work, both in terms of the number of people needed to do the work and the level of effort required from each participant. All participants working on the front lines of community initiatives need: humility, demonstrated by a desire to learn about local context and a respect for people, place, cultures, and history; curiosity, a sense of inquiry, and the desire to learn; the ability to learn quickly in new situations and to incorporate lessons learned from past experiences; flexibility, demonstrated by the ability to consider nontraditional strategies, a willingness to adjust methods if necessary, and the courage to admit when something isn't working; and cultural competence.

- Evaluators need: clarity about the purpose of the evaluation; comprehension of the initiative's theory and strategies; a focus on learning, not just on measuring; ability to demystify the evaluation process; creativity in helping people learn from each other in real time; understanding of what participants already know, what they want to learn, and what they need to know but might not be aware of; and commitment to building feedback loops and reflection into the fabric of the evaluation.

- Staff of the sponsoring foundation need: clarity about the theory of change; inclination to partner with grantees; prior experience with on-the-ground community change; diplomacy in public, and extreme candor in private; strategic thinking ability; and ability to read the political dynamics in a community.

- Staff of the managing partner organization need: Understanding of evaluation and of community outcomes; a strategic approach to grantmaking; understanding of how to negotiate with government entities; ability to work in a highly political environment; a sense of how complex and complicated community change is; ability to organize and facilitate technical assistance; and ability to see the big picture while also managing details.

- Support and involvement from top-level foundation leaders (executives, program managers, and board members) are crucial for long-term initiatives.

- Community foundation donors can be an important resource for community change.

- National and community foundations' institutional assets can be harnessed for community change.

- Getting deeply involved in a community, even over a relatively short time, gives a funder inside knowledge that can pay off over the long term.

- The effort to work "comprehensively" in a community builds powerful alliances that cut across professional and cultural boundaries.

Resource 4: Technical assistance. Hewlett recognized from NII's beginning that training and technical assistance would be an essential part of the initiative, although NII's designers did not fully anticipate the depth and scope of the need for TA. At first, the managing partners hired TA providers from community-based organizations, national consulting firms, and university-based research centers, as well as independent consultants, while Hewlett arranged additional TA as needs arose. In 2002, Hewlett centralized TA and brought it under the Foundation's management.

NII's concept of assisting sites on many topics, through many types of providers, was well-intended but it faltered in execution. Technical assistance got ahead of itself; there simply was too much expertise, provided by too many people, too fast for the people who needed to formulate strategies on-site to absorb. The biggest stumbling block lay in bringing the disparate pieces together coherently without a strong strategic framework for the initiative itself. Without an overarching framework or strategy, it was impossible to develop a menu of technical assistance for all sites. Instead, NII was guided by implicit assumptions that (a) residents could ask for the help they needed in an organized way and (b) NII's technical assistance consultants would know how to assess residents' needs for help and recommend TA strategies to Hewlett. Both assumptions proved false during the first half of the initiative.

During the second half Hewlett worked to improve TA, especially by reducing the cadre of contractors to a select, experienced corps and clearly defining their roles. Foundation staff recall that local partners, evaluators, and TA providers found this second phase of TA adequate and effective. Our interviews with members of those same stakeholder groups suggest that NII's technical assistance did improve, leading to improvements in outcome tracking and program practices. The benefits of technical assistance during this stage were more likely to be limited by the local intermediary's internal challenge of trying to grow roots and establish momentum while also preparing for the end of Hewlett funding.

IMPLICATIONS FOR PHILANTHROPY

The community change field has advanced since 1994, when Hewlett Foundation staff began to design NII. People know more now about how communities function; they have incorporated theories of change and attention to results more thoroughly into their initiatives; new tools are available for evaluation and technical assistance; and providers are more sophisticated about helping local participants use the tools effectively. Funders are more likely now than in the past to look for opportunities to build on existing community strengths and momentum rather than starting something entirely new and to adapt their

approach to fit the demands and possibilities for change on the ground. And some foundations have created vehicles for peer learning and exchange that give participants a chance to examine and apply each others' lessons, with the goal of developing a "community of practice."

Nonetheless, *community change*—that is, the development of neighborhood leaders, organizations, and networks so they can support residents and link them to resources and opportunities, inside and outside the community—isn't for every foundation. Funders who are contemplating such investments need to seriously consider what capacities they have to play which kinds of roles in the community change enterprise. Some will find the work too messy, politically charged, and/or hard to assess. It isn't a good fit for foundations that prefer short-term time horizons or orient toward short-term, return-on-investment strategies. Nor is community change comfortable work for foundations that need to demonstrate exactly how their funds bring about particular changes in the community.

What characteristics position a foundation to do this work well? Although the field's technical advances help, we believe that something simpler, more fundamental, and farther-reaching is needed to help philanthropies that want to engage in community change do it better. At the most basic level, we see two core competencies as necessary (though not sufficient) to do this work well:

- **The ability to establish productive relationships with the diverse people and organizations with which a foundation must work to achieve community change.** Why did so many NII participants find the initiative frustrating despite its important accomplishments? Not because NII lacked resources or commitment from Hewlett, the community foundations, or neighborhood residents. And not because of simple arrogance, ignorance, or bad faith on anyone's part. (Indeed, many of the same players have worked together on other initiatives since NII without the same level of frustration.) Improving outcomes for people in low-income neighborhoods is a challenging enterprise, but so are many other targets of philanthropic attention, such as peace and security, the environment, economic development, and so on. The stumbling block for NII was that participants couldn't find a way to talk productively about their differences and work through them together to improve the initiative. This is not to say that relationships were *always* tense or interactions *always* explosive; there were periods in Mayfair and East Palo Alto when work proceeded without undue turbulence. Across the initiative's lifespan, however, relationships and interactions were poor enough, for long enough, that they seriously affected NII's evolution. Indeed, 10 years after NII began, the rockiest years of the initiative remain the most vivid memories for many participants.

- **The ability to take a learning stance throughout the entire enterprise.** One of the few areas of consensus among our interviewees was a disappointment that more collective learning did not take place. Participants describe an initiative that never established the trust needed for candid exchange and learning. Relationships between Hewlett and its local partners often lacked mutual understanding and sometimes lacked respect; anxiety and blame surfaced frequently. These conditions, which rarely rose to the level of public dialogue but were often discussed privately, made it impossible to debate and refine NII's theories productively, fine-tune strategies in response to realities, and have continuous learning and adaptation.

Relationships, learning, and all that they entail are not new issues. Nor are they absent from the philanthropic landscape. Indeed, many foundations demonstrate these competencies in many different initiatives and areas of work. But somehow community change, perhaps because it is a long-term enterprise that challenges traditional power relations and lacks an easy blueprint for action, generates fewer success stories if by success we mean the quality of the philanthropic enterprise—the strength of the ideas or theories, the degree to which the theories are implemented consistently and effectively over time, and the collective learning that is generated for the field.

Rather than focus on technical strategies to address these shortcomings, we emphasize the importance of changing foundations' attitude and stance. The foundations that seem most likely to create new knowledge are those that are willing to experiment, those that embrace the idea of learning while doing. This means systematically trying to capture and analyze data while the work is underway, convert the information into knowledge, reflect on what one is doing, discuss what one is learning, and incorporate each other's good ideas into the mix. It means having theories, expectations, partnerships, and funding mechanisms that are flexible enough to allow in-course corrections. It means taking risks that may end up as mistakes.

Being experimental also means becoming a partner in, rather than owner of, the discovery process. Foundations that intentionally develop and maintain productive relationships with partners—characterized by mutuality, respect, flexibility, transparency, honesty, and constructive dialogue—gain a durable tool they can use to generate knowledge as well as meet community change goals. Unless these relationships work, the best technical assistance tool or the most generous amount of funding cannot produce its desired impact, especially over the long run. We have seen how learning can be undermined by a culture of anxiety, blame, and unresolved power dynamics. There simply is no way for community change initiatives to test their theories, adjust their strategies, and achieve their outcomes if the partners cannot learn with and from each other. The corollary, however, is that effective relationships and a learning stance constitute very powerful assets that philanthropy can bring to the community change enterprise. Indeed, we see them as potentially transformative, affecting all aspects of foundation structure and operations.

Despite the difficulties inherent in the first two themes, this work is worth doing—and, therefore, it is worth learning to do well. We believe it is possible to strengthen poor communities and improve outcomes for the people who live in them. And we believe that philanthropy has an important role to play in doing so. Several questions especially invite further philanthropic attention:

- **Intermediaries**—For what kinds of goals and under what conditions can foundations use intermediaries most effectively? Many foundations feel the pressure to stay lean, which makes it difficult for them to operate initiatives directly. Others see their value as providing operational leadership and hands-on engagement. What should a foundation consider as it assesses whether and how to work with an intermediary? And, once the decision is made, how can foundations work with intermediaries as partners rather than in the hierarchical relationship of funder/grantee?

- **Outcomes**—What (and whose) targets will the initiative pursue, and can this be determined without fueling unproductive power dynamics? What promising methods and tools are emerging to evaluate progress toward outcomes?

- **Learning**—No foundation is against learning, but few are satisfied with the structures and mechanisms they have put in place to maximize learning in real time. What more can be done to identify practical structures and strategies that make learning central to the philanthropic enterprise rather than an extra burden?

- **Initiatives versus long-term partnerships**—Some foundations are finding that they need more flexibility to be responsive to the organic nature of community change work than a highly defined and structured initiative allows. What are the implications of this shift in thinking for philanthropic strategy and investment?

PREFACE

Much has been written about the Neighborhood Improvement Initiative (NII), thanks to the Hewlett Foundation's steady investments in evaluation, analysis, and technical assistance.[2] "Lessons learned" documents from other initiatives also pervade the field of community change, including several we have written ourselves. Most of them describe some positive results and some fundamental disappointments. And, if you read enough of them, you come away feeling that many of the same discoveries and mistakes keep getting made, over and over again.

When the opportunity to produce this analysis arose, our first reaction was that surely the existing coverage of NII must be sufficient. Did the field really need another deconstruction of what happened in West Oakland, East Palo Alto, and Mayfair? We were struck, however, by Hewlett leaders' interest in using NII's experience not to declare victory or assign failure but to build knowledge about community change, both within the Foundation and in the philanthropic field at large.

Community change is an extraordinarily complex enterprise for philanthropy, and it raises lots of conceptual, technical, and philosophical issues. Foundation leaders and staff can overcome many of the challenges by capturing and reflecting on their experiences, incorporating new knowledge, and refining their practices. But those activities take time, persistence, and—especially when they occur in public—courage. Thus, there are few candid, foundation-sponsored analyses of what it really takes to do this work.[3]

We were impressed, therefore, by Hewlett's willingness not only to present useful lessons but to explain the choices that NII leaders made (intentionally and implicitly), the contemporaneous knowledge that influenced them, and the contextual factors that shaped NII's effectiveness. It opened the door to such questions as, "What did we [Hewlett] know and how did we know it? What did we do with the knowledge, to what effect, and how can we apply what we learned to future efforts? What tradeoffs did we make, and why? What caused our theory and practices to evolve, in what ways, and with what consequences? What do we ('the field') know now that might have changed NII's implementation?"

As we began to review materials and conduct interviews, we learned of NII's important accomplishments in each neighborhood. Many people worked hard to incubate new organizations, stimulate new services, and help new leaders emerge. At the same time, we learned that NII had not, for the most part, lived up to everyone's hopes and expectations. And we quickly discovered multiple, competing perspectives that were hard to reconcile—differences of opinion about NII's design, implementation, and outcomes. Some

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[2] Examples include:

- Multiple, site-specific mid-year and annual evaluation reports by NII's implementation evaluator, Teamworks.
- Quantitative data reports by NII's outcome evaluator, JMPT Consulting.
- Kubo, M.M., Wong, A.J., and Morales, E.F. (2004). "Missing the (Tipping) Point: Looking for Impact and Discovering Learning in a Comprehensive Community Initiative." San Francisco: JMPT Consulting, Inc.
- Robinson, A. and Barengo, S. (2005). "Lessons from the Middle: Managing a Neighborhood Improvement Initiative." San Jose, CA: Community Foundation Silicon Valley.
- Pastor, M., Jr., Benner, C., Rosner, R., Matsuoka, M., and Jacobs, J. (2004). "Community Building, Community Bridging: Linking Neighborhood Improvement Initiatives and the New Regionalism in the San Francisco Bay Area." Santa Cruz, CA: Center for Justice, Tolerance, and Community. Available online at www. cjtc.ucsc.edu.
- Penny, A. and Hohn, J. (2004). "Of, By, and For the People: Reflections on the Neighborhood Improvement Initiative's Planning Process and Implementation, 1994-2003." Unpublished report to the William and Flora Hewlett Foundation.

[3] Exceptions include: "The Path of Most Resistance: Reflections on Lessons Learned from New Futures." (1995). Baltimore: The Annie E. Casey Foundation; and Walsh, J. "The Eye of the Storm: Ten Years on the Front Lines of New Futures." (1998). Baltimore: The Annie E. Casey Foundation.

of this *Rashomon* effect is to be expected in a complex, long-term community change initiative that evolves over time with changing players. Some can be attributed to the different dynamics and trajectories in each of the three sites. But what struck us most powerfully (and resonated with what we have observed in many other foundation-sponsored community change initiatives) was that NII participants couldn't find a way to talk productively about these differences and to use what they experienced to improve the initiative.

In fact, one of the few areas of consensus among almost all of our interviewees was a disappointment that more collective learning did not take place. Participants describe an initiative that never established the trust needed for candid exchange and learning. Relationships between Hewlett and its local partners often lacked mutual understanding and sometimes lacked respect; anxiety and blame surfaced frequently. These conditions, which rarely rose to the level of public dialogue but were often discussed *sotto voce,* made it impossible to debate and refine NII's theories productively, fine-tune strategies in response to realities, and have continuous learning and adaptation.

That context shapes our review in the following ways:

- **Although opinions about NII vary widely, we aim to describe all points of view without favoring any one perspective.** We based our analysis on interviews with staff from Hewlett and the participating community foundations, evaluation and technical assistance providers, and community representatives. We also reviewed NII evaluation reports, internal memoranda, and site and Foundation materials generated over the last 10 years. We visited the NII communities twice to see the initiative's visible effects and to talk with participants on their home ground. To put NII's experiences in perspective, we reviewed material from and about comparable initiatives dating from the mid-1980s to today. We also asked four special reviewers, representing diverse experiences and perspectives, to comment on the draft text and to help us connect the report to their own audiences and networks. During this process, the people who shared their thoughts and products with us were exceptionally candid about many aspects of the initiative, and we have tried to honor their honesty by producing a balanced report.

- **Our report is not an evaluation, nor is it an in-depth account of what happened on the ground in each neighborhood that participated in NII.** It is an analytical review of how the initiative was designed, managed, measured, and supported and what those experiences imply for privately funded community change—during NII, now, and in the future.

- **We cannot analyze every dimension of NII equally in all three sites, due to the extreme variation in how NII unfolded locally.** Instead we focus on the aspects that are most relevant to other initiatives, while also noting some site-specific experiences that indicate an opportunity for learning.

- **We consider NII not as one isolated initiative but in the context of other multi-site, foundation-sponsored, community change initiatives.** Our analyses—especially the observations we make at the end of several chapters and in the final chapter on implications—are informed by this broader philanthropic experience and also speak to it. Our observations go beyond the lessons that could be drawn exclusively from NII and reflect our own judgment about what the larger philanthropic field wants to know.

When we step back from NII, we have to wonder why so many interviewees found the initiative frustrating despite its important accomplishments. It is not because there were insufficient resources— everyone agrees that Hewlett's investment was very generous. It is not because people weren't committed to change; many people at Hewlett, in the community foundations, and in the three communities worked very hard to get things right. And it is not because of simple arrogance or ignorance or bad faith on anyone's part. Indeed, many of the same players have worked together on

initiatives since NII without the same level of frustration. Improving outcomes for people in low-income neighborhoods is a challenging enterprise, but so are many other targets of philanthropic attention—peace and security, the environment, economic development, and so on. And so, throughout this review, we stay alert to factors that could help foundations and their partners engage more effectively—that is, to use knowledge and experience to improve the work over time.[4] We believe that philanthropy has an important role to play in community change, and we hope that readers will use our observations to enhance and test their concepts of community change, adopt or invent better approaches, develop more capacity for positive change, and reflect on and share their results.

Chapter 1: Overview of the Neighborhood Improvement Initiative sets the tone for our analysis by describing NII's goals, neighborhoods, and evolution in each site. *Chapter 2: NII's Theory of Change* describes NII's original concepts, issues in implementing key dimensions of the theory, and how the theory and approach shifted over time from resident-driven, mostly project-oriented action to the foundation-driven adoption of a more explicitly outcomes-oriented framework.

Chapter 3: Managing Change explores the role of community foundations as NII's managing partners (i.e., the intermediary between Hewlett and local players), while *Chapter 4: Capturing Change* digs deeper into NII's approach to evaluation and learning. In *Chapter 5: Supporting Change,* we look at NII through the lens of four key resources for community change initiatives: time; money; human effort, knowledge, and commitment; and technical assistance.

Chapters 3 to 5 end with a brief set of observations about the topic at hand. The observations represent just a subset of the vast universe of potential lessons, because we focus on those most directly related to NII's experience. We underscore some common themes across chapters as well, including: the challenge of building strategic capacity at all levels of an initiative; the critical roles of timing, sequencing, and pace in the flow of resources into a community; and the importance of cultivating productive working relationships among all the partners that enable them to learn together and improve performance over time.

Our review concludes with *Chapter 6: Implications for Philanthropy*. Here we step back to ponder what NII can teach us not about how to design, implement, and assess a powerful community change initiative but how to "do" this type of philanthropy more effectively. Appendix A lists the people interviewed for this report, Appendix B identifies our special reviewers, and Appendix C offers a snapshot of results in each of the NII communities for those readers who want additional detail.

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[4] Frumkin, P. (2006). *Strategic Giving: The Art and Science of Philanthropy*. Chicago: The University of Chicago Press, p. 56.

NII TIMELINE, 1996-2006

	MAYFAIR	WEST OAKLAND	EAST PALO ALTO
1996	Hewlett approves NII and invites proposal from Community Foundation of Silicon Valley (CFSV). Mexican American Community Services Agency (MACSA), with CFSV, organizes Mayfair Collaborative.		
1997	Three-year strategic plan completed. Hewlett approves Year 1 implementation grant. MACSA transitions from lead to partner agency. CFSV and Collaborative decide to form new intermediary, Mayfair Improvement Initiative (MII).		
1998	Mayfair opens MII office, hires director. 25 projects begin implementation.	Hewlett approves planning grant to The San Francisco Foundation (TSFF); kick-off neighborhood event starts formal planning process.	
1999	CFSV and MII clarify roles/responsibilities. Baseline survey of outcomes and indicators is conducted.	Community plan completed. Bylaws adopted for 7th Street-McClymonds Corridor intermediary.	Hewlett selects East Palo Alto as third NII site. Peninsula Community Foundation (PCF) becomes managing partner.
2000	"Index of Progress" is produced, based on 1999 survey.	Board and officer elections completed; director hired.	Community organizing, public launch, and planning conducted. One East Palo Alto (OEPA) evolves into formal organization.
2001	NCDI leads strategic planning to sharpen MII's focus.	West Oakland makes first grants. Hewlett and The San Francisco Foundation articulate conditions for future support.	10 resident workgroups identify multiple issues and projects to pursue.
2002	Hewlett contracts with JMPT for outcome evaluation and centralizes technical assistance under the Foundation's management. Mayfair selected to participate in San Jose's Strong Neighborhoods Initiative.	West Oakland elects a new board of directors, terminates executive director. After several months, intermediary is disbanded and NII ends in West Oakland.	Conflicting interests fracture OEPA's board. PCF resigns as managing partner but remains funding partner. Hewlett begins managing the work directly, streamlines OEPA's priorities around three signature projects (EARN, LEARN, and SAFE). OEPA obtains independent nonprofit status. Hewlett contracts with JMPT for outcome evaluation and centralizes technical assistance under the Foundation's management.
2003	MII develops new 3-year plan with fewer staff/services, more intermediary role.	TSFF makes two final rounds of grants in West Oakland.	OEPA's executive director resigns. Evaluation management consultant begins helping OEPA with data.
2004	Mayfair's NII support sunsets with final one-time grant.	Evaluation of McClymonds Youth and Family Center begins.	New executive director stabilizes OEPA's structure and relationships.
2005			OEPA drops three-program model, ends EARN, and refocuses on youth development.
2006			East Palo Alto's NII support sunsets with final one-time grant.

NII'S GOALS AND APPROACH

NII designers set forth **six goals** for the initiative:

1. Connect fragmented efforts to address poverty-related issues in select communities.

2. Improve the capacity (proficiency and resources) of participating community-based organizations.

3. Improve Bay Area community foundations' capacity to support neighborhood improvement strategies.

4. Develop neighborhood leaders by creating a vehicle for increasing resident involvement in neighborhood planning and improvement strategies.

5. Leverage significant public/private resources to support community improvement.

6. Provide long-term statistical evidence of changes in poverty indicators (e.g., unemployment, welfare dependency, vacant and abandoned structures).

Although this last goal identified an explicit outcome that Hewlett hoped NII would achieve, it did not receive a lot of attention early in the initiative, when local efforts centered on reaching out to neighborhood residents and helping them develop their agenda for change.

The **belief or theory** for how NII was to achieve its goals stated that "improvement in the physical, social, and economic conditions in lower-income neighborhoods will result from the active involvement of residents in community planning and decision making processes, in combination with a comprehensive, coordinated, multi-year strategy to address the problems that impair the quality of life in these neighborhoods."[5]

Hewlett did not develop a detailed theory of change that specified all the connections between each goal, the strategies to achieve that goal, and the assumptions underlying the connections. So we focus instead on NII's **basic design elements:**

NII'S UNDERLYING ASSUMPTIONS

Positive neighborhood change is most likely to occur when:

The initiative targets **geographically compact** neighborhoods with modest populations;

Residents have direct control over planning and managing the distribution of resources in their community;

Approaches are **comprehensive and coordinated**, rather than narrowly defined, discrete, and uncoordinated;

Capacity-building strategies help residents and neighborhood organizations participate in community renewal;

Public and private stakeholders develop **partnerships**;

Neighborhood change is **connected to regional forces and resources**; and

Resources are committed over a **multi-year** period.

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[5] NII's goals and theory evolved during implementation, but we refer here to the 2002 versions cited in many NII documents.

- NII would begin with a year-long resident-driven planning process to generate a plan that would guide the neighborhood's future revitalization efforts. A community-based lead agency would facilitate this process in concert with a local collaborative of residents and community stakeholders.[6]

- Planning would be followed by six years of implementation, funded at $750,000 per year,[7] during which time the neighborhood improvement efforts would have access to significant technical assistance and training resources.

- Although Hewlett did not specify what sort of community entity would be responsible for implementation, all three sites would elect to create a freestanding neighborhood-based intermediary to carry the work forward. In order to connect neighborhood change with the larger forces and resources of the surrounding region, each site would establish an advisory committee composed of diverse movers and shakers from the public, private, and nonprofit sectors.

- Rather than operate NII itself, Hewlett chose three community foundations to be its managing partners tasked with staffing the initiative, regranting Hewlett's resources, managing technical assistance and site-specific evaluation, and leveraging additional resources.

- Although each site was responsible for obtaining neighborhood data and developing project-level tracking systems, Hewlett would contract directly with an independent evaluation firm to assess NII's implementation and progress in each site. Hewlett also would assume responsibility for cross-site documentation, training, and learning activities.

THE NII NEIGHBORHOODS

After narrowing the candidate pool to 10 neighborhoods identified by consultants to have an appropriate mix of need and readiness[8], Hewlett selected three neighborhoods that would be phased into NII over time: Mayfair (1996), West Oakland (1998) and East Palo Alto (1999). All three neighborhoods suffer from poverty, unemployment and under-employment, poor schools, overcrowded and substandard housing, and other urban ills that distinguish them from the surrounding Bay Area. NII unfolded during a time when this region was undergoing dramatic economic transformation, most significantly the dot-com expansion in the mid-to-late 1990s and its subsequent downturn. Consequently, Mayfair, West Oakland, and East Palo Alto all faced rising housing prices, gentrification, and other development pressures that challenged NII participants to think regionally as they developed their local strategies. As Figure 1 suggests, however, the three neighborhoods differ considerably in some key demographic characteristics. Thus each neighborhood also brought its own history and set of possibilities to NII.

Historically an entry point and staging area for immigrants, the **Mayfair** neighborhood of East San Jose is the smallest (about one square mile) and most homogeneous of the NII sites. Up to 50% of residents are undocumented immigrants—which presents both challenges and assets, such as Mayfair's entrepreneurial capacity. (An estimated 40% of resident families work in informal, entrepreneurial businesses.) As the childhood home of Cesar Chavez, Mayfair also has a long tradition of community organizing, activism, and productive relations with civic and elected leaders, who recognize the need to address Mayfair's poverty.

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[6] NII's language underscored the "resident-driven" nature of its approach but did not specify a method (beyond the planning collaborative) through which residents would drive the change effort—an issue we address in Chapter 2.

[7] Hewlett committed this amount to each site, plus an additional $250,000 per site for operations by the managing partner. In East Palo Alto, after the managing partner withdrew, Hewlett redirected the operations money to the site. EPA received $1.4 million in 2004, $1.6 million in 2005, and $1.7 million in 2006.

[8] Internal Hewlett Foundation document, 2004.

Figure 1: DEMOGRAPHIC CHARACTERISTICS OF NII SITES[9]

	MAYFAIR	WEST OAKLAND	EAST PALO ALTO
Population	8,349	14,127	13,855
Racial/Ethnic Composition			
Anglo	2.9%	5.6%	3.1%
Latino	79.8%	17.3%	61.6%
African American	1.8%	65.7%	25.1%
Asian/Pacific Islander	13.6%	7.9%	7.9%
Other	1.9%	3.5%	2.3%
Foreign-born	59.2%	16.9%	43.2%
Non-citizen	42.2%	10.6%	34.1%
Living in poverty	16.8%	36.2%	16.2%
Living below 200% of poverty	39.8%	60.8%	43.6%
Education: Males older than 25			
% with < high school	61.9%	35.8%	57.8%
% with B.A. or more	7.8%	14.0%	7.1%
Education: Females older than 25			
% with < high school	56.7%	31.5%	50.4%
% with B.A. or more	9.2%	13.3%	9.9%
Labor Force Participation			
Males	61.0%	56.6%	63.2%
Females	46.9%	47.3%	52.8%

West Oakland is a predominantly African-American neighborhood with small but rapidly growing Latino and Asian populations. Once selected for NII, neighborhood leaders renegotiated the original boundaries so that the target neighborhood, which came to be known as the 7th Street McClymonds Corridor, increased in size to three square miles with a population of over 14,000. West Oakland had a more intractable set of poverty factors than the other two neighborhoods, including more long-term poverty, more female-headed households, and higher rates of disability. West Oakland was home to many community-based organizations that got support from private and public funders but achieved only limited results. Still, many people perceived the neighborhood as sitting on the cusp of significant change, thanks to a new Oakland mayor, redevelopment plans associated with the nearby army base and port, and designation of the area as a Commercial Revitalization Zone / Enhanced Enterprise Community.

East Palo Alto (EPA) is an area of about 2.5 square miles that lies close to some of the country's richest neighborhoods—and yet worlds apart. Historically, it was an ethnically diverse area with a majority of African-American residents. In the 1980s, EPA activists pushed to declare independence from San Mateo County, of which EPA was an unincorporated area. They failed on a legal level but set in place a strong, pro-neighborhood, anti-outsider dynamic and produced neighborhood leaders who later brought that perspective to NII. At the time NII entered EPA, Latinos (many of whom were new immigrants) had become the largest population of residents (62%), and the demographic changes

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[9] Data in this table are from the 2000 U.S. Bureau of the Census as cited in Pastor, M., Jr., Benner, C., Rosner, R., Matsuoka, M., and Jacobs, J. (2004). "Community Building, Community Bridging: Linking Neighborhood Improvement Initiatives and the New Regionalism in the San Francisco Bay Area." Santa Cruz, CA: Center for Justice, Tolerance, and Community. Available online at www. cjtc.ucsc.edu. The entire section draws substantially from this publication, as well as from sites' materials and Teamworks' reports.

produced volatile racial/ethnic conflict. EPA was not originally among the sites Hewlett considered for NII because it had a weak, financially depleted municipal government; adversarial relations among municipal leaders, community members, and county government; and a weak nonprofit sector. Working in EPA, however, fulfilled Hewlett's commitment to working in the poorest communities and to investing in the Foundation's own backyard.

SUMMARY OF NII'S EVOLUTION AND ACCOMPLISHMENTS

Two overarching facts shaped NII's trajectory. First, as noted earlier, the NII "story" differed so much across the three neighborhoods that NII essentially became a separate initiative in each location rather than one initiative with three sites. Second, the changes to NII's conceptual framework, management, and implementation strategies that occurred part way into the initiative (described in Chapter 2) greatly influenced what NII looked like on the ground. Here, we summarize for each site the key players and events involved in planning and implementation, a snapshot of results achieved, and the initiative's current status.

A SNAPSHOT OF NII IN MAYFAIR[10]

Managing Partner. The Community Foundation Silicon Valley (CFSV) was the managing partner for what came to be known as the Mayfair Improvement Initiative (MII). At the time, CFSV (then known as the Community Trust of Santa Clara County) had about 12 staff and $100 million in assets, much of it non-discretionary. Although it had participated in the C. S. Mott Foundation's Neighborhood Grants Program, it had not undertaken anything close to the scale and complexity of NII.

Planning. CFSV and a well-established lead agency, the Mexican American Community Services Agency (MACSA), facilitated a community planning process that generated a strategic plan with 76 projects and seven desired outcomes. The plan represented substantial consensus among the diverse stakeholders who participating in the planning collaborative; about 60% were residents.

Implementation. After Hewlett approved Mayfair's three-year strategic plan, MACSA made the transition from lead to partner agency. Without a lead agency and well aware of the challenges of starting a new organization, CFSV considered running NII itself or discontinuing it. Ultimately, CFSV decided to help launch a new, freestanding nonprofit in the neighborhood—the Mayfair Improvement Initiative (MII). With help from technical assistance providers, participants in the planning collaborative elected an interim board of directors, adopted by-laws, hired staff, and selected 25 priority projects for implementation. MII slowly began to emerge as a viable community-based organization focused on carrying out the agenda outlined in the strategic plan. Over the next six years, MII designed and managed several programs and regranted money for projects undertaken by other neighborhood organizations. Several themes surfaced during this time:

- *Focus*—MII eventually honed its focus to three areas deemed critical for family well-being: school readiness, employment, and housing. Each area encompassed leadership development and community organizing efforts.

- *Service provider versus neighborhood intermediary*—Over time and with an eye toward sustainability, MII developed a hybrid intermediary model. It aimed to provide some services but also build the capacity of other neighborhood groups through community organizing, networking, partnership, and

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[10] This brief snapshot is based on review of biannual evaluation reports, interviews, and other NII materials including two publications exclusively devoted to Mayfair: Robinson, A. and Barengo, S. (2005). "Lessons from the Middle: Managing a Neighborhood Improvement Initiative." San Jose, CA: Community Foundation Silicon Valley; and Berger, R. (2006). "Si Se Puede! Lessons for Community Transformation." San Jose, CA: Mayfair Improvement Initiative. Available online at www.mayfairneighborhood.org.

coalitions. When some MII transferred some services to other neighborhood organizations, MII reduced its own staff size.

- *Sustainability*—MII began sustainability planning midway through the Neighborhood Improvement Initiative, a move that seemed promising. Resource development was delayed, however, by differences of opinion among board members, the departure of MII's founding director, the need to build MII's own capacity for fundraising, and the refinement of MII's focus.

- *Community engagement*—MII lost some connection to residents over time, so leaders tried to reengage community members by moving MII program staff into partner agencies and using cultural events to create bonds among neighbors. MII also began to tackle issues important to residents, such as immigrant rights and voter registration.

Technical assistance and support. MII received technical assistance from the National Community Development Institute; the Center for Justice, Tolerance, and Community at the University of California, Santa Cruz; Collaborative Economics; and JMPT Consulting. In addition, a former CFSV staff member whom Hewlett recruited to its staff in 2000 spent one day per week helping to build MII's resources.

Results. Appendix C summarizes the key outcomes that resulted from MII's work: tangible outcomes for residents, an increase in resources invested in Mayfair, and stronger neighborhood leadership. MII implemented 54 of the 76 projects in its original strategic plan, adding others as the work became more focused and as MII grew more strategic about its role as a local intermediary. One highlight was the use of promotores (community educators and outreach workers) to help families access health insurance and school readiness services. Hewlett's $6.3 million leveraged $9.6 million in additional funds for Mayfair.

Epilogue. In 2006, two years after the formal end of the Neighborhood Improvement Initiative in Mayfair, MII operates with substantial credibility and increasing capacity. Leaders plan to change the intermediary's name to Somos Mayfair to underscore the organization's mission: "*Continuing the path toward ensuring social justice and promoting economic stability and community leadership.*" Approximately half of MII's $1 million budget is supported by government contracts; the rest comes from foundations, corporations, and individual donors. MII has strong staff leadership from the neighborhood, an engaged board, and good working relationships with local government and CFSV.

A SNAPSHOT OF NII IN WEST OAKLAND

Managing Partner. The San Francisco Foundation (TSFF) was Hewlett's managing partner for the 7th Street McClymonds Corridor Neighborhood Improvement Initiative. TSFF had a long history of grantmaking in West Oakland, an established community development program, and experienced staff. Unable to find an appropriate lead agency within the neighborhood to oversee the planning process, the Hewlett Foundation asked TSFF to play that role, too. TSFF ended up being both the managing partner and the lead agency (local intermediary) for the first two and a half years of the initiative.

Planning. A core group of 35-45 residents participated in work groups to develop the plan, conduct outreach and organizing, make small grants, examine training needs, and develop a permanent governance structure to administer NII. An interim Governing Body was formed to make decisions about small grants and to convene town hall meetings during the planning phase, which was extended by three months. These efforts produced a plan that called for the creation of an independent nonprofit organization and program activities in nine areas.

Implementation. The shift from planning to implementation occurred slowly, leading to a six-month extension of West Oakland's first year in NII. Little outreach to public and private partners occurred during this time, because planners first wanted to establish priorities and set up an effective governance

structure. Board elections were held, by-laws completed, and, toward the end of the year, an executive director was hired for the new organization. The first round of grants was approved shortly thereafter.

Over the next two years, the 7th Street McClymonds Corridor NII struggled to establish itself as an independent neighborhood-based organization. A culture of mistrust of outsiders and factionalism within the community impeded progress. TSFF felt pressure to respect the principle of self-determination while also keeping the initiative focused and moving forward. The effort was unable to engage Latino and Asian residents in any sustained way, despite the rapid growth of these populations in the neighborhood. Technical assistance was sporadic; providers' roles weren't always clear, they lacked an overall strategy, and many people viewed the quality as inconsistent.

An NII evaluation report suggests that one of persistent problems stemmed from a misalignment between resident leaders' view of the initiative as "a source of sustenance" for their organizations and NII's goal of using Hewlett's money to leverage support "for projects of sufficient scale to affect tangible change and to develop new networks of influence to support the target area."

In West Oakland's second year of implementation, Hewlett and TSFF issued the 7th Street McClymonds Corridor board some conditions for going forward (e.g., gaining nonprofit status, developing two or three signature projects, formalizing grantmaking procedures, building institutional relationships) and hired a firm to help with these tasks. About a year later, under new leadership, the board adopted four community-wide target outcomes and created workgroups to establish priorities for each. A decision to terminate the lead agency's executive director prompted a board retreat and prolonged search for a new leader. But internal politics undermined the search so thoroughly that TSFF and Hewlett finally decided to dissolve the fledgling organization. The 7th Street McClymonds Corridor's board "never cohered around a mission and vision...or a clear set of priorities for action" despite genuine efforts by many residents, technical assistance providers, and the sponsoring foundations, Teamworks evaluators found.

Technical assistance and support. At the beginning of West Oakland's involvement in NII, 7th Street McClymonds Corridor had a technical assistance team of three organizations: the Oakland Citizens Committee for Urban Renewal, the National Economic Development and Law Center (NEDLC), and the Urban Strategies Council. Later in the initiative, the Institute for Urban and Regional Development (IURD) at the University of California-Berkeley, NEDLC, and the Community Development Institute (CDI) played significant TA roles, joined by other organizations on an ad hoc basis.

Results. During its three post-planning years, the 7th Street McClymonds Corridor NII made 57 grants worth a total of $1.6 million. The quality of grant making improved from a rushed start, marked by grants of minimal value to the community, to increasingly strategic grants with potential to attract other resources for affordable housing, youth, workforce development, community building, and economic development. Few data exist on project outcomes, due to poor data collection among grantees and a failed effort to establish a grants tracking system (hence we present no summary of West Oakland results in Appendix C). 7th Street McClymonds Corridor NII received a total of $4.7 million over four years (76% from Hewlett, 14% from TSSF, and the rest from the public sector and other foundations). TSFF did not generate a full-fledged strategy for resource development strategy, however, because it was waiting for clearer direction from the initiative's board.

Epilogue. Although NII's sponsor and managing partner shut down the 7th Street McClymonds Corridor office, TSFF administered a final round of grants that was consistent with the project areas identified by the board and work groups. To fulfill both foundations' commitment to the neighborhood, TSFF also convinced Hewlett to support six months of planning to transform a school-based health center at McClymonds High School into a youth and family center that integrates and coordinates health, youth development, and social services. The center is now in its third year of operation and is being evaluated by the University of California's Institute for Health Policy Studies. Hewlett provided funding for the first two years of the evaluation.

A SNAPSHOT OF NII IN EAST PALO ALTO

Managing Partner. The Peninsula Community Foundation (PCF) began as NII's managing partner in East Palo Alto. PCF already had many projects and investments in the community, and during NII's planning year PCF raised an additional $1.1 million and leveraged $1.5 million for implementation in East Palo Alto. By 2002, however, PCF leaders had grown frustrated by disagreements with Hewlett over the theory of how communities change, what the pace of change should be, and how best to develop civic capital. PCF therefore resigned its managing partner role but continued to oversee grants made from community foundation funds. At that point, Hewlett became both the sponsoring funder and the managing partner for East Palo Alto. By the end of 2004, Hewlett redefined its role as solely a funder. From then on it relied on the local intermediary, One East Palo Alto (OEPA), to recommend grants and strategy for the initiative.

Planning. PCF framed the work as "The People's Initiative" and, with help from the Community Development Institute, conducted three months of intensive outreach to the ethnic, faith, nonprofit, and civic communities. An estimated 1,000 people attended the initiative's public launch in 2000. Nine months of community planning followed, accompanied by efforts to develop neighborhood leaders who could move the plan forward. Residents formed task forces to discuss issues of individual and family support, neighborhood revitalization, and community building. The groups proposed 39 projects involving dozens of grantees. Grant making was the responsibility of 10 workgroups composed of residents and local nonprofit leaders, each of which had a $100,000 budget.

Implementation. During the planning process, NII was housed at CDI, a local technical assistance organization. OEPA evolved into a formal organization in mid-2000 but CDI continued to serve as fiscal agent until the end of 2002, when OEPA obtained nonprofit status.

At first, inexperienced staff and board leadership delayed OEPA's development. In early 2002, concerned about focus, Hewlett asked OEPA to concentrate on three to five issues. Neighborhood participants voted and OEPA restructured its work around their priorities: jobs, education, and crime. Over the next two years, those signature projects—known as EARN, LEARN, and SAFE—evolved to include job training, employee development and career advancement, asset development programs, and local employment and business policies (EARN); English as a Second Language, parent leadership development, teacher development and coaching, and youth support (LEARN); and to organize and connect residents, build a community network, and partner with agencies that serve at-risk youth and young adults (SAFE). A fourth priority, community engagement, ultimately became part of all three projects.

In 2003, OEPA's executive director resigned. The post was vacant for eight months while the board struggled with internal strife and fatigue. A new director came on board in April 2004, and OEPA began to set goals and strategies for the organization overall and for its programs. In 2005, OEPA dropped its three-program model to reflect the loss of EARN's program director, a desire to sharpen the focus on youth development, and concerns about sustaining signature projects. Resources previously directed to job placement and asset development shifted to youth employment, job readiness, and leadership.

Key issues for NII in East Palo Alto included:

- *Hewlett's direct involvement in managing the work*—When PCF withdrew from the managing partner role and Hewlett became directly involved, the dynamic between sponsoring foundation and site changed dramatically. OEPA no longer had an entity to buffer its interactions with Hewlett, which exacerbated the power imbalance. Hewlett, meanwhile, was exposed to all of the site's strengths and weaknesses in detail. The situation improved after late 2004, when OEPA hired a new executive director and Hewlett resumed its role as primarily the funder.

- *Competition among grantees*—Some community leaders and organizations were used to being the gatekeepers for resources coming into the neighborhood. They actively competed for NII dollars against other groups located inside the neighborhood and outside the city limits.

- *Priorities*—Tension persisted between (a) using planning and project development as a tool for resident engagement, which means allowing extra time to make mistakes and learn from them; and (b) getting the work off the ground in a timely way, which means intervening with knowledge about "what works" from outside the community.

- *Weak economy*— The dot-com economy's crash made many neighborhood conditions worse at a time when the fledgling initiative was just getting underway.

- *Diffuse organizational infrastructure*—There are many players operating in East Palo Alto, with little or no coordination. In 2004, for example, Stanford University alone had several dozen interventions underway in the school district, all operating independently of each other.

Technical assistance and support. OEPA's technical assistance providers included: the Community Development Institute; National Community Development Institute; Local Initiatives Support Corporation (LISC); Stanford University's Haas Center for Public Service; and the University of California-Santa Cruz's Center for Justice, Tolerance, and Community. In late 2003, Hewlett hired an evaluation management consultant to help OEPA and other NII partner organizations collect and report evaluation data, facilitate communication between the evaluators, and review evaluation reports. In 2005, OEPA obtained technical assistance on sustainability planning from an experienced fundraiser.

Results. Appendix C summarizes the key outcomes of NII in East Palo Alto, including: improved neighborhood safety; English-language acquisition for adults and after-school enrichment for children; new and stronger resident leaders, social networks, and community organizations; job placements and support to local entrepreneurs; and greater investment of public and private resources in the neighborhood. Highlights include the formation of block clubs and a Crime Reduction Task Force, which introduced community policing; and the incubation of Nuestra Casa, an organization that provides English-language and parent leadership training to adult residents who are mostly monolingual Spanish-speakers. Nuestra Casa trains and nurtures new leaders who are especially active around school reform.

Epilogue. By 2006, OEPA had become a community organization with a commitment to "fostering system-level change through building strategic alliances with key institutions and people."[11] Although evaluators note that OEPA remains a "small and fragile organization," it has come a long way since its turbulent early years. Five OEPA board members have become city commissioners, elected officials, and/or board members for other organizations. In OEPA's fifth fiscal year, the organization attracted 40 percent of its funding ($243,400) from non-Hewlett sources, including the school district; and the board of directors affirmed a desire for the organization to continue its work in the neighborhood.

Although the Neighborhood Improvement Initiative was winding down in East Palo Alto in 2006, Hewlett continues to invest in East Palo Alto with even greater resources than those provided by NII—in part, Hewlett staff say, because of the relationships and investments begun during the Neighborhood Improvement Initiative. In particular, final NII grants and additional funding from Hewlett's Education Program have built on the foundation laid by OEPA to improve in-school and after-school instruction, increase parent engagement, and provide summer job training for young people. For example:

- Grants to the Ravenswood City School District, New Teacher's Center, and Boys and Girls Club support small-group instruction after school and provide coaching for after-school staff. Hewlett

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[11] Teamworks OEPA Year 5 Report, p. 7.

credits the New Teacher's Center's work, in part, with tripling the percentage of new teachers who return to East Palo Alto classrooms from one year to the next.

- Nuestra Casa's efforts to organize and educate new immigrant parents continue to expand, and the parents have launched successful campaigns to improve school grounds and lunch quality.

- A youth employment program co-lead by OEPA and the Opportunity Industrial Center West, and involving more than a dozen service providers, teaches basic job-readiness skills to 100 youth who face significant barriers (e.g., previous incarceration, placement in foster care, school dropout), pays them for their time, and links them with continued education, training, and employment support.

- Other summer programs—many of which pay stipends—involve EPA young people in mentoring, public art projects, job training, service learning, political education, community organizing, academic support, counseling, and leadership development.

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NII'S THEORY OF CHANGE

As described in Chapter 1, NII's designers set forth six goals for the initiative and a loosely developed theory or set of assumptions about how those goals would be achieved:

1. **Connect fragmented efforts** to address poverty-related issues in select communities

2. **Improve the capacity (proficiency and resources) of participating community-based organizations**

3. **Improve Bay Area community foundations' capacity** to support neighborhood improvement strategies

4. **Develop neighborhood leaders by creating a vehicle for increasing resident involvement** in neighborhood planning and improvement

5. **Leverage significant public/private resources** to support community improvement

6. **Provide long-term statistical evidence of changes in poverty indicators** (e.g., unemployment, welfare dependency, vacant and abandoned structures)

Hewlett did not develop a detailed theory of change that specified all the connections between each goal, the strategies to achieve that goal, and the assumptions underlining the connections. In this respect, NII was like other community change initiatives of its day, whose theories were articulated as the work unfolded rather than in advance (e.g., Neighborhood and Family Initiative, Rebuilding Communities Initiative, Plain Talk). However, NII was guided by an overall theory that "improvement in the physical, social, and economic conditions in lower-income neighborhoods will result from the active involvement of residents in community planning and decision making processes, in combination with a comprehensive, coordinated, multi-year strategy to address the problems that impair the quality of life in these neighborhoods."

We begin this chapter by reviewing how the Foundation developed NII's ideas at the outset. Then we examine NII's implementation to understand how three of its core ideas—strengthening residents' role in community change, building community capacity, and connecting neighborhood improvement efforts to

the larger region—translated into practice and to see what NII's experience teaches us about those ideas. We also describe what many participants viewed as a shift in Hewlett's approach near the initiative's midpoint, along with different perspectives on the meaning and consequences of that shift. Because the decision to involve community foundations as managing partners is such an important design feature for NII, we reserve that topic for Chapter 3.

NII'S IDEAS AT THE OUTSET

To lay the groundwork for NII, Hewlett hired a consultant to review the experience of the major place-based community change initiatives sponsored by foundations in the 1980s and early 1990s. Hewlett staff and the consultant also conducted interviews and focus groups of program managers and funders to solicit their lessons, advice, and feedback about NII's emerging design. Consequently, many of the ideas and values behind NII resonated with the thinking behind other comprehensive community initiatives (CCIs) being tested elsewhere at the time, including community engagement and ownership, coordinated development strategies, capacity building, partnerships, and leverage. These concepts also received broad support among NII stakeholders.

Indeed, NII generated substantial excitement among those concerned with the plight of poor neighborhoods during the mid-to-late 1990s. The initiative's broad goals and values were appealing. Many people viewed Hewlett's seven-year (per site) commitment as an important, even bold, statement of how committed the Foundation was to community change and how deeply the Foundation believed such change was possible.[12] Observers also saw the scale of Hewlett's financial commitment ($750,000 per site per year after planning) as sufficient to bring stakeholders to the table and leverage additional resources, and Hewlett's support for technical assistance also seemed generous.

The only idea at the outset that did not generate substantial support (outside of Hewlett) was NII's goal of providing long-term statistical evidence of changes in poverty indicators. Few people believed it was realistic to move the needle on a neighborhood's poverty indicators in seven years using a loosely structured, community-driven approach. Nor had any CCI to date been able to resolve the difficult measurement and attribution issues involved in establishing impact on neighborhood-level outcomes.

The skepticism about demonstrating poverty reduction was widely shared but not publicly articulated or debated before NII's rollout. Few people wanted this obstacle to prevent Hewlett from launching NII, so they didn't voice their concerns. Hewlett staff, meanwhile, genuinely thought that NII would reduce poverty, although in retrospect they acknowledge that "it's more accurate to say we wanted it to be a **catalyst** for poverty reduction." In NII's early years, it was only Hewlett's request that evaluators produce quantitative evidence of poverty reduction that stimulated a more thorough debate within the Foundation, and among its advisors, about what impacts NII was likely and unlikely to generate.

IMPLEMENTING KEY DIMENSIONS OF NII'S THEORY

Community change initiatives typically have long-term agendas that go beyond the sponsoring foundation's projected timeline. This makes it especially important to build resident ownership, knowledge, and skills; develop the community's infrastructure; and embed the change effort in the larger geographic and political context, because those are the capacities that will move the work forward and maximize the sponsor's investment. Here we examine how NII's theory about these tasks played out in practice and see what contribution NII's experience can make to improving broader philanthropic effectiveness.

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[12] The seven-year timeframe was determined more by the maximum amount of time staff thought the Hewlett Board could accept than by an explicit rationale for what was supposed to happen by the end of seven years. Still, seven years was a much longer commitment than was typical for the Foundation.

LESSONS TAKEN BY NII'S PLANNERS
FROM OTHER COMMUNITY CHANGE INITIATIVES

Before proposing the Neighborhood Improvement Initiative to Hewlett's trustees, Foundation staff conducted and commissioned research on similar initiatives, including: (1) a written analysis of strategies, structures, early outcomes, and emerging lessons based on the Surdna Foundation's Comprehensive Community Revitalization Program, the Ford Foundation's Neighborhood and Family Initiative, the Annie E. Casey Foundation's Rebuilding Communities Initiative, the Pew Charitable Trusts' Neighborhood Preservation Initiative, the Rockefeller Foundation's Community Planning and Action Program, and the East Bay Funders Initiative; (2) demographic research on the nine-county Bay Area; (3) a scan of the capacities of community-based organizations in the potential target communities; (4) focus groups with other Bay Area funders; and (5) an analysis of Hewlett's own neighborhood funding over the previous decade. From this research, NII developers say they took the following lessons:*****

- **Designate or create an intermediary organization** to manage day-to-day operations onsite (if the sponsoring entity is not an operating foundation).

- **Include technical assistance and capacity building** as core components of such initiatives, and commit funds for them.

- **Build evaluation into the initiative** from an early stage.

- Support the work not through a funding consortium or funding pool but through **one sponsor**, with other funders able to support the work as independent investors if they want to.

- **Think long term** (e.g., at least six or seven years in sites to achieve results).

- Operate in **multiple neighborhoods** simultaneously.

- Concentrate on **small geographic areas.**

- Foster an **inclusive, community-driven planning process** to drive the work in sites. Community members should set priorities for action, and the sponsoring foundation should respond to community wishes. This means that community development corporations—a mainstay of early community change initiatives—are not the sole (or even primary) vehicle for change.

- Cultivate **support from all relevant substantive areas or departments** in the sponsoring foundation, including education and health care as well as broader "community development."

NII creator Alvertha Penny also was deeply influenced by a visit to the Sandtown-Winchester Neighborhood Transformation Initiative in Baltimore, which she visited in the early 1990s before joining Hewlett. That initiative, created by Jim Rouse of The Enterprise Foundation and then-mayor Kurt Schmoke, drew broad support from other funders, including the Annie E. Casey Foundation; had a strong partnership between private funders and public agencies; gave the sponsoring funder a hands-on role in the community; created a new community-based organization to coordinate the work; and gave residents a central role in neighborhood transformation.

"Sandtown-Winchester gave me hope that community change was possible," Penny recalls. "I thought, there's something here. If they're willing to take the risk, we ought to be willing to do it. That was my turning point."

*Authors' note: Other people might draw quite different conclusions from the same research. Our goal here is simply to understand how broadly NII designers cast their information net, how they interpreted the research and experience that existed at the time, and how they expected to translate what they learned into NII's design.

THE ROLE OF RESIDENTS IN NII

During the design phase, Hewlett staff determined that community development corporations, the vehicle used by some other CCIs, were not sufficiently "resident driven" to serve as lead agencies for NII. The Foundation wanted to underscore the importance of residents having direct control over planning and managing the distribution of resources in their community. This stance was well received by NII's managing partners and neighborhood stakeholders and consistent with the thinking and language of other foundation-sponsored community change initiatives at the time. For example:[13]

- Casey's **New Futures** initiative and Ford's **Neighborhood and Family Initiative** (NFI) had established community collaboratives as a way to involve residents, community members, and community institutions in identifying needs, solutions, and resources; Casey's **Rebuilding Communities Initiative** (RCI) formed resident-controlled governance structures.

- LISC's **Community Building Initiative** and Surdna's **Comprehensive Community Revitalization Project** worked through community development organizations to organize, facilitate, and implement strategies for resident involvement, while **The Atlanta Project,** sponsored by the Carter Center, used "resource coordinators" (paid professionals or loaned executives from corporations, government agencies, health organizations, and universities) to help residents identify and solve neighborhood problems.

- **New Futures** and Rockefeller's **Community Planning and Action Programs** (CPAP) helped community members collect and analyze data to understand the structural causes of urban poverty and develop strategic responses. CPAP, in particular, tried to help communities use the data to highlight patterns of economic and social disinvestment and to change local, state and regional policies.

- Several initiatives, most notably **RCI**, used community organizing techniques to mobilize and prepare residents to take action.

- Edna McConnell Clark's **Neighborhood Partners Initiative** designated lead organizations for the work in neighborhoods but expected the grantees to involve residents in efforts to improve housing, employment, resident leadership, and quality of life.

Thus the Neighborhood Improvement Initiative began with a planning process in which a diverse group of residents came together to develop a vision for the neighborhood and a plan to achieve it. Hewlett's only guideline for this process was that residents make up at least 51% of the planning group. Like many other foundations, Hewlett did not devote much attention to specifying the operational meaning of "resident-driven," nor did it articulate a strategy for identifying and developing resident leaders who could ultimately take charge of NII.

As time went on, NII encountered the same issues involving residents' authority and responsibility that have surfaced in other community change initiatives. Wanting to honor its commitment to a resident-driven process, Hewlett approved all three community plans despite serious misgivings about the sites' abilities to knit together a coherent approach, given the number of projects they proposed. To build local capacity, Hewlett paid for technical assistance that exposed resident boards to best practices, supported visits to model programs, and brought national experts into the neighborhoods to stimulate new thinking. But Foundation leaders grew increasingly frustrated with what they saw as a lack of strategic direction in

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[13] Adapted from www.Commbuild.org and "External Reconnaissance" from Casey Dispatch: Opportunities, Challenges, and Lessons from Making Connections. Working document. Baltimore: The Annie E. Casey Foundation.

all three sites, and they ultimately introduced new requirements for focus and approach. This led the sites, in turn, to question the Foundation's commitment to resident priorities and decision-making.

Although residents clearly play important roles in community change efforts, little evidence exists to link specific roles with specific outcomes. NII's experience doesn't do much to test or explain the specific links, but it does reinforce the potential for resident engagement to produce positive outcomes. In Mayfair, for instance, MII engaged residents through its popular theater, supported voter registration and immigration reform, and partnered with the regional Mobilize the Immigrant Vote Campaign. In East Palo Alto, NII incubated Nuestra Casa, an organization that helped Spanish-speaking adult residents learn English, proceed to community college, develop leadership skills, and understand and participate in their children's school experience. Also in East Palo Alto, residents formed block clubs that persuaded police to use community policing practices; advocated for an ordinance to drive out drug dealers, which led to the closing of a notorious drug house; and led a Crime Reduction Task Force that attracted federal and state resources to the neighborhood.

Still, people operating from a community-organizing perspective consider the resident engagement aspect of NII's theory to be weak. Although the initiative invited residents to the table, their role there was primarily to provide input to a foundation-initiated planning process. Without more explicit mechanisms for building leadership capacity, critics say, the local governing structure is challenged to exert leadership strategically, hire and guide staff effectively, or hold itself and its funders accountable to the original goals and agreements.

NII also highlights the need to reach out to residents beyond those most likely to get involved, such as local agency heads, self-appointed leaders, and other traditional gatekeepers. The West Oakland site, for example, was dominated by institutional representatives, some of whom had longstanding differences that impeded progress, while outreach to non-affiliated residents, especially Latinos, was only episodically successful. This is a challenge for all community change initiatives: "The community" is not a monolith. Given the diversity of resident populations and groups that form a community, which are the "right" ones to engage and how should one engage them?

Some funders of today's community change efforts are trying to answer that question by testing several alternative approaches:

- The **Jacobs Family Foundation** has developed strategies to transfer ownership of its mixed-use development, Market Street Plaza, to the San Diego neighborhood's shareholders and to establish the Neighborhood Unity Foundation as a permanent vehicle for raising and managing endowment resources for the community.[14]

- The **Northwest Area Foundation** signs contracts with its partner communities that give residents authority to make decisions about resource allocation within the context of a broad set of mutually agreed upon goals and responsibilities.[15]

- Another approach is to adopt a relational style of engagement through "profound connectedness, vital engagement, and sharing leadership" with communities.[16] **New Song Urban Ministries** in Baltimore aims to graft change onto existing social and family networks, viewing relationships (rather than programs) as the bridge to change.[17]

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[14] See www.Jacobsfamilyfoundation.org.
[15] See www.NWAF.org.
[16] Mekha, R., Rosebear, K., Foster, D., Keefe, M., Azzahir, A., Barbee, J., Walker, M.J., Patton, M.Q., Berde, C., Batson, K., and Shark, M. (2004). "End of One Way." Minneapolis: The McKnight Foundation. www.mcknight.org.
[17] Brown, P. and Fiester, L. (2003). "New Song Academy: Linking Education and Community Development to Build Stronger Families and Neighborhoods." Available online at www.aecf.org.

- The Annie E. Casey Foundation, which views strong social networks as an important outcome of the **Making Connections** initiative, is exploring the links between resident engagement and social networks.

- Across the country, so-called **"embedded funders"** pursue direct and ongoing relationships with multiple community actors, including residents, as a primary vehicle of philanthropic operation.[18]

While effective resident engagement continues to challenge the field, at the very least NII underscores the value of foundations' understanding (a) their own tolerance for the risks inherent in delegating responsibility to community members and (b) their own desire and capacity to share different kinds of power and authority with resident groups. NII's experience also illustrates the importance of clarity, patience (as one respondent said, "You have to leave the door to the oven closed while the cake is baking!"), and agreement about how to negotiate changes if something is not working.

BUILDING COMMUNITY CAPACITY: THE ROLE OF A NEIGHBORHOOD INTERMEDIARY

Hewlett did not set out to establish new community-based intermediaries, and there was no mention of the term *intermediary* in the original NII materials. However, NII's goals did include explicit reference to "a vehicle for increasing resident involvement in neighborhood planning and improvement strategies," connecting "fragmented efforts to address poverty-related issues," and providing a base from which to "leverage significant public/private resources to support community improvement." By the end of the planning period, each of the neighborhood boards, in concert with its managing partner, had determined that it needed to create a new nonprofit organization to accomplish these goals. Neither MII nor OEPA began with the goal of becoming a neighborhood intermediary, but over time each has developed into just that. (7th Street McClymonds Corridor disbanded before resolving its organizational identity).

The central role of a neighborhood intermediary is to build the capacity of neighborhood residents and organizations to access and use resources on behalf of the community. This typically involves activities such as promoting leadership and organizational development, fostering networks and connections through organizing and collaboration, serving as a credible convener of diverse community constituencies and sectors, leveraging new resources for the community, and increasing the effective use of existing resources. While they may incubate service programs, most neighborhood intermediaries do not provide services on an ongoing basis because such a role can divert their energies, create competition with other neighborhood organizations for scarce resources, and compromise their ability to represent the interests of the entire neighborhood.

MII and OEPA had slightly different trajectories as neighborhood intermediaries. MII went through periods when it was largely a service provider that competed successfully for public contracts, raised foundation funds, and succeeded for the most part in delivering high-quality programs. However, it came to see the limitations of this approach in light of the goals it had set for itself, which went beyond services for a limited number of residents. To catalyze broader community change, it would have to assume and support an intermediary role.

OEPA, on the other hand, never delivered services directly but instead funded a set of partners who provided such services at the same time as OEPA engaged in intermediary work designed to address system-level obstacles to achieving goals. It struggled, however, to articulate a clear strategy for how

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[18] Sojourner, A., Brown, P., Chaskin, R., Hamilton, R., Fiester, L. and Richman, H. (2004) "Moving Forward While Staying in Place: Embedded Funders and Community Change"; and Brown, P., Chaskin, R., Richman H., and Weber, J. (2006) "Embedded Funders and Community Change: Profiles." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.

this combination of support for direct services and intermediary activities would operate to meet some definable goals.

Most of our interviewees consider the neighborhood intermediary a good vehicle for accomplishing NII's community change goals, pointing especially to a growing optimism in Mayfair attributable to MII's broad and deep neighborhood connections and other accomplishments. However, our reviewers and interviewees also advise that the ambition and complexity of NII's agenda requires a neighborhood intermediary with substantial capacity, making the preferred route one of building on existing community strength rather than starting a new organization. NII faced constant tension between trying to achieve its program goals and building the organizational capacity needed to do this well. It took a great deal of energy and technical assistance to establish and nurture a new organization—to create a mission statement and by-laws, elect a board, locate and hire staff, develop a strategic plan and method for evaluating progress, regrant NII funds, and raise additional resources. As one observer noted, groups juggled responsibility for getting Hewlett resources out the door (i.e., acting like a grantmaker); fundraising (which, if successful, generally required them to provide direct services); and building the capacity of their own organizations as well as others in the community—all while trying to develop the credibility needed to be the intermediary for a divided community.

Developing the new organizations' strategic capacity was even more challenging. By strategic capacity, we mean an organization or group's ability to make a more powerful impact over the long run because it has:

- A clear vision, goals, and distinct value orientation;
- A carefully devised set of actions to achieve these goals (based on research, planning, use of best practices, careful execution, and follow-through), and a clear rationale linking the actions to the goals;
- The resources (or ability to leverage them) required to undertake the actions;
- Strong leadership and capable staff; and
- A commitment to ongoing, meaningful self-assessment and to using self-reflection to improve decisions and practices along the way.

Even under the best of circumstances, strategic capacity grows through trial and error, experimentation, and revision. Not surprisingly, NII's neighborhood intermediaries struggled to develop strategic capacity—and Hewlett struggled to find ways of helping them become more strategic within NII's timeframe. Our reviewers questioned the idea that a start-up organization with an inexperienced board could produce NII's intended results within six years and suggested that it might have been better to go to neighborhoods where there was existing organizational strength to build on. That choice carries its own challenges but would not require the same investment of time and resources as starting from scratch.

CONNECTING NEIGHBORHOOD IMPROVEMENT EFFORTS TO THE LARGER REGION

Recognizing that low-income neighborhoods often are isolated from external resources and expertise, Hewlett required each site to establish an **Advisory Committee** composed of diverse movers and shakers from the public, private, and nonprofit sectors to provide expertise, access, strategic advice, social connections, and additional resources. The community foundations charged with constituting and managing the Advisory Committees and the neighborhood collaboratives that wanted to connect their work with outside resources viewed the Advisory Committees as a valuable addition to NII's design—in theory. In practice, however, this design component encountered numerous challenges, many of which fell under the category of "too much too soon." Emerging neighborhood intermediaries weren't ready to take advantage of the experts enlisted to help, and they had concerns that "outside experts" would

dominate local decisions and lack of clarity about the committee members' role. The managing partners, meanwhile, had concerns about timing: they found it useful to keep a broader group of stakeholders involved and informed but hesitated to convene them until neighborhood collaborators had developed their plans sufficiently to know how the Advisory Committee might help.

These dynamics led to inconsistent use of the Advisory Committees. At points in NII's trajectory, sites did adapt the Advisory Committee's form and function to the changing circumstances and needs of the initiative. For example, the Teamworks evaluation concludes that Mayfair's Advisory Group, initially composed of high-level representatives from every sector, played an important role in communicating the initiative's progress to elected officials, policymakers, corporate executives, and government agency heads. It also raised more than $1 million for the first phase of Mayfair's work. (Later in Mayfair's history, the Advisory Committee went almost two years without convening and then took several different forms as MII sought new ways to obtain advice, educate people outside the neighborhood about future plans, and generate support for the work.) But there also were missed opportunities for the Advisory Committees over NII's course. Potential resources went untapped, member's interest waned, and lack of follow-up limited the degree to which leads on external connections actually panned out. Further, one community foundation executive noted that while it made sense for the managing partner to recruit and initially convene the Advisory Committee, by keeping the community foundations in the convening role NII missed an opportunity for neighborhood leaders to take more responsibility for decisions, interact with power brokers outside the neighborhood, and establish the robust relationships needed for sustained progress.

In 2001, Hewlett also hired the **Center for Justice, Tolerance, and Community (CJTC)** to coach sites on how to "think regionally" and to explore ways of linking neighborhood change with regional development agendas. CJTC's publication, *Community Building, Community Bridging: Linking Neighborhood Improvement Initiatives and the New Regionalism in the San Francisco Bay Area,*[19] describes the results of this work in much more depth than we can report here. To illustrate a positive impact, it cites Mayfair's partnership with several regional advocacy organizations, demonstrating how local solutions often benefit from—or require—regional levers. The partnership produced dramatic improvements in access to health insurance for children and their families in Mayfair—gains that could not have been achieved by focusing solely within the neighborhood. However, the researchers make the important point that while community-based regional strategies have an important role to play in neighborhood development initiatives, they require of the neighborhood group substantial skill and political savvy, good timing, and a strong local identity and vision that help residents make the connection between their desire for better services and the need to build effective alliances at the regional level. These conditions developed unevenly in NII sites, limiting the degree to which the neighborhoods benefited from the approach.

In sum, NII's ideas about connecting each neighborhood's development work to the larger region reflect recent thinking about the limitations of change strategies that focus solely within the neighborhood.[20] The design elements NII used to operationalize these ideas—i.e., a diverse and high-powered Advisory Committee and technical assistance to help sites make regional connections—gained traction from time to time but their overall impact was limited because the sites could not implement the strategies consistently to their maximum advantage. As with technical assistance, discussed in Chapter 5, timing is everything when it comes to connecting a neighborhood to a region. Too much emphasis on thinking regionally at too early a stage ran counter to the site's own need to develop basic capacities and come to a natural realization that external connections would advance the work.

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[19] Pastor, M., Jr., Benner, C., Rosner, R., Matsuoka, M., and Jacobs, J. (2004). "Community Building, Community Bridging: Linking Neighborhood Improvement Initiatives and the New Regionalism in the San Francisco Bay Area." Santa Cruz, CA: Center for Justice, Tolerance, and Community. Available online at www. cjtc.ucsc.edu.
[20] See, for example, Kubisch, A., Auspos, P., Brown, P., Chaskin, R., Fulbright-Anderson, K., and Hamilton, R. Edited by L. Fiester. *Voices from the Field, Vol. II: Reflections on Comprehensive Community Change.* (2002). New York: Aspen Institute Roundtable on Community Change.

A SHIFT IN HEWLETT'S APPROACH

A leadership change at Hewlett in 2000 brought a heightened focus on articulating clear objectives and measuring progress toward achieving them, both Foundation-wide and within NII.[21] The result was that Hewlett applied an explicitly outcomes-based framework to NII in late 2001 and convened the three sites to discuss the guidelines in 2002—midway through Mayfair's implementation, several years after West Oakland had launched its initiative, and half-way through One East Palo Alto's first year of implementation.

The new guidelines called for a focus on a small number of community-wide outcomes, cornerstone projects developed to address each one of these targeted outcomes, and the development of logic models specifying target populations, project outcomes and performance measures. Hewlett arranged for substantial technical assistance to help sites adopt the new framework, with the idea that pursuing results was not optional but the choice of what the outcomes would be and what strategies sites would use to achieve them was up to the local partners. In other words, Hewlett imposed a way of thinking about and guiding the sites' work but left the focus and substance of the work up to the communities. The Foundation also hired a second evaluation firm to conduct an outcomes-based quantitative evaluation.

These changes, perceived locally as "the new outcomes orientation," became a lightning rod for problems in the relationship between local NII partners and Hewlett. But the idea of targeting outcomes wasn't entirely new to NII; desired results had, after all, been included (albeit loosely) in NII's six original goals. Nor, from Hewlett's perspective, was NII sailing along smoothly before Hewlett intervened. As noted in Chapter 1, long-standing distrust and factionalism impeded progress in West Oakland. East Palo Alto, meanwhile, was hindered by staffing and leadership problems, strife and fatigue among board members, competition among grantees, and an overly broad set of projects.

Paul Brest, the catalyst for Hewlett's changes, recalls that in 2000 his concerns about NII went beyond "a lack of strategic orientation or even a frequent shifting of goals." After reviewing research on what other CCIs had and hadn't accomplished and discussing measurement of population-level change with evaluators, he urged staff to focus not on the wishful goal of trying to move poverty indicators but on "what was, in effect, the goal implicit in the theory: local improvements in physical, social, and economic conditions." Even so, Brest viewed intervention as a necessary response to what seemed like a failing situation in at least two of NII's sites. Given the dysfunctional dynamics within West Oakland and East Palo Alto, "there was little if any indication that these communities would achieve any of our shared goals," Brest says:

> I do not think the Foundation handled the change of course with nearly as much sensitivity as we should have. But it is important to be clear about the nature of our intervention. We did not substitute our goals for those of the communities but pressed the communities to choose an achievable number of their own goals...that had a plausible chance of succeeding and included indicators of progress toward the goal. [And then we] tried to help them, doubtlessly clumsily, achieve the goals through assistance with strategic planning.
>
> In retrospect, we gave the sites too short a time frame to develop strategic plans and didn't understand how difficult the concept of a logic model would prove to be. [But] I am very skeptical that they would have developed and implemented strategic plans and achieved what outcomes they did if we had not intervened.

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[21] Brest, P. (2002). "The Hewlett Foundation's Approach to Philanthropy." Menlo Park, CA: The William and Flora Hewlett Foundation. www.Hewlett.org.

From the sites' perspective, the new framework changed the rules of the game midstream. Residents and community groups certainly wanted the initiative to achieve good results as much as Hewlett did—after all, they were investing plenty of their own time, energy, and hard work into NII—but the shift to an outcomes-oriented framework for the whole initiative seemed abrupt and disruptive to many local participants. The effect played out differently in each site. Mayfair had been functioning long enough with strong local leadership that it was able to incorporate change without derailing its direction and momentum. West Oakland's significant internal challenges limited the energy it could bring to respond to Hewlett's request before ultimately closing down. The dynamics were most intense in East Palo Alto, the site that was "youngest" and where Hewlett ended up taking on the managing partner role.

In EPA, trust was already thin among residents and between the community and foundation partners. Comments like these from community members and managing partners are typical:

> "We had created incredible momentum, but everything we had framed in the plan was never given a chance. With a year more, we would have gotten where we needed to be....But we will never know if it would have worked. [We] were micromanaged from there on. We were basically told all we had done to then...had to be scrapped."

> "What drove the planning process was a sense that the sky's the limit, you can do whatever you want. We were well into planning for Year 2 when Hewlett came in and said to the community, 'You aren't doing it right, we're going to scale back the 10 [areas of focus] to four.' It was a shock, and very demoralizing. That was the first major blow to the project, and many people fell off as a result. It was as if the game changed, and people didn't know why."

> "When you are working in community, you don't build back trust over night. Once you go back on your word, your chances of success are very poor. [If you continue to affirm a commitment to resident control while imposing a new way of doing business], it creates cynicism."

Clearly, both Hewlett and the sites wanted the work to generate positive outcomes and wanted residents to play a role in achieving them, but each had a different perspective on how to connect resident engagement to outcomes. Unfortunately, two factors limited NII's ability to advance the field's knowledge on this point:

> First, **NII's original theory of resident-driven change was not fully tested**. We do not know, for example, whether the sites would have eventually gotten to outcomes on their own, in their own way, if Hewlett had not intervened. It is possible that although it might have taken longer, a more developmental and resident-driven process might have gotten to the same outcomes but produced other "softer" benefits, such as resident leadership, along the way. Alternatively, sites might have floundered, grown discouraged, and quit in the face of limited progress.

> Second, **NII failed to provide a good test of the value of an outcomes framework** because even though residents were empowered to select the particular outcomes they wanted NII to produce, the introduction of the framework midstream was experienced by sites as changing the rules of the game and, in some cases, as disrespecting resident voice, which ultimately limited the degree to which participants embraced it. Further, we know from other initiatives that it takes significant time and effort to build for self-evaluation and outcome tracking in a new community organization. Expecting NII's nascent local organizations to develop this capacity midstream, even with substantial assistance, yielded only modest success.

Furthermore, Hewlett used a definition of "community change" (at least from 2001-02 onward) that was slightly different from the definition commonly used by other practitioners. According to senior Hewlett staff, community change in NII was defined less by evidence that beliefs, practices, capacities, and

opportunities in the community had changed (e.g., neighborhood leaders, organizations, and networks had been developed to support residents and do a better job of linking them to resources and opportunities) and more by evidence that residents were less poor than before. Purists might argue that Hewlett's definition had more to do with addressing individual well-being within a specific place than with trying to achieve community-level change and that NII's original goals mixed individual-level outcomes (e.g., reduced poverty) with community-level ones (e.g., leveraged resources).

We discuss NII's growing emphasis on outcomes and the challenge of measuring NII's progress more in Chapter 4. First, however, we examine community foundations' role as NII's managing partners and how these partners addressed Hewlett's shift in thinking about NII.

— 3 —
MANAGING CHANGE:
COMMUNITY FOUNDATIONS AS MANAGING PARTNERS

At the outset, Hewlett had to consider whether it would operate NII itself, transfer management to an intermediary organization, or develop a hybrid model through which it retained responsibility for certain tasks and outsourced others. Given its preference for lean staffing, Hewlett lacked the capacity to operate such an ambitious initiative, so the Foundation declined to take on the operating role itself. It turned instead to local community foundations as managing partners. This arrangement served a second function for Hewlett: one of NII's six goals became to increase the capacity of community foundations to revitalize neighborhoods.

THE MANAGING PARTNER ROLE

Hewlett could have chosen a variety of models for NII's managing partner. The Pew Charitable Trust's nine-site **Neighborhood Preservation Initiative** and the Ford Foundation's four-site **Neighborhood and Family Initiative** relied, like NII, on community foundations as managing partners. Other foundations have either set up a national intermediary, like the National Program Office that the Robert Wood Johnson Foundation created for the five-site **Urban Health Initiative**, or turned to the services of an existing intermediary like MDC, as was the case with The Duke Endowment's 22-site **Program for the Rural Carolinas**. Some foundations manage an initiative themselves during the early stages and then create or designate an entity to carry the work forward, as in the Surdna Foundation's six-site **Comprehensive Community Revitalization Program**. The Annie E. Casey Foundation currently is making a similar transition in its 10-site **Making Connections** initiative.

Hewlett's choice of community foundations as NII's intermediaries offered several advantages for both parties. Hewlett could partner with a foundation that was closer to the community, had substantial fundraising capacity, and would be working in the community long after Hewlett moved on. The community foundations, meanwhile, would gain dedicated human and financial resources to augment their work in the neighborhoods. NII's resident-driven, asset-based approach matched their values and interests, and they welcomed the opportunity to work with each other and with a large foundation that had significant history in the community development field.

Hewlett charged the managing partners with translating NII's theory into action on the ground. These tasks involved: identifying a lead agency; helping the lead agency create a resident-driven collaborative to develop and implement a comprehensive neighborhood improvement plan; administering a grants program; constituting and managing the advisory committee; administering a pool of funds for training and technical assistance; and leveraging resources for the neighborhood effort. The community foundations received money for program management and for regranting on the community's behalf.

The main task that Hewlett kept for itself at the outset (apart from general oversight and grant monitoring) was NII's evaluation.

CHALLENGES TO THE RELATIONSHIP BETWEEN HEWLETT AND ITS MANAGING PARTNERS

Hewlett and the community foundations all shared a deep commitment to community change; all invested substantial amounts of time and resources; and the partnerships did generate some positive outcomes. The relationships themselves were challenging, however. Numerous factors undermined them: lack of significant pre-existing relationships and understanding of each others' goals, capacities, and cultures; power dynamics typical of the traditional grantor/grantee relationship; and lack of clarity about mutual responsibilities and accountabilities. Because these factors resonate with the experience of other foundation-sponsored community change initiatives,[22] we provide examples drawn from NII and then discuss alternative approaches based, in part, on what we heard from Hewlett and community foundation staff. It is important to underscore here that, as in most partnerships, these challenges were neither Hewlett's nor the community foundations' alone but characterized the way each party related to the other, often to their mutual disadvantage.

ALIGNMENT OF GOALS AND EXPECTATIONS WITH ON-THE-GROUND REALITIES

The way that Hewlett and CFSV, the managing partner for NII's first site, launched their partnership illustrates the issue of aligning each partner's goals and expectations. The Hewlett Board approved NII in July 1996, and immediately thereafter Hewlett contacted CFSV leaders to gauge their interest in being Mayfair's managing partner. Within three months, CFSV had submitted a proposal and received a grant award notice. CFSV identified a lead agency, the Mexican American Community Services Agency, and newly hired staff launched a community planning process in Jan 1997.

Mayfair's three-year strategic plan was due in mid-August 1997 so that Hewlett staff could review it before an October board meeting. Mayfair met the deadline and Hewlett approved the plan, but CFSV was not ready to move forward. A five-month transition period ensued, during which MACSA withdrew from its role as lead agency. NII's future seemed questionable until CFSV and community leaders decided to create a new community organization (MII), elected an interim board, hired staff—and they didn't accomplish all of that until summer 1998.

The most obvious problem with this launch is the discrepancy between the tasks to be accomplished and the compressed timetable. As in other community change initiatives committed to genuine resident involvement, NII's community planning process required people to forge new relationships, develop new capacities, collect and analyze data, and reach consensus about future directions. What was supposed to be a one-year planning process effectively lasted seven months (between the time staff were hired and the deadline for submitting a proposal to Hewlett).

NII's timetable assumed that the community foundation and lead agency could transform their limited grantor/grantee relationship into a partnership overnight and immediately get to work facilitating a complex planning process. Predictable tensions arose, and despite efforts to resolve them MACSA withdrew as lead agency at the end of the year.

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[22] Brown, P. and Garg, S. (1997). "Foundations and Comprehensive Community Initiatives: The Challenges of Partnership." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.

Hewlett responded to CFSV's need for assistance throughout this planning period, primarily through the services of a program consultant who worked closely with the Hewlett program officer. The consultant helped CFSV put together its initial proposal for the planning period and stayed engaged with CFSV over the next year. When communication and role tensions emerged between CFSV and MACSA, she was called in to mediate. When it became clear that local planners had neither the time nor skills to produce a proposal with the kind of "professional" look Hewlett expected, she obtained funding from Hewlett for a grant writer. And, when MACSA withdrew as the lead agency, Hewlett extended CFSV's first-year implementation grant to give people time to regroup.

> "If the [local lead agency] grantees aren't strategic to begin with, you have to start with where they are. I didn't understand that I couldn't rush that."
> — Hewlett staff

Those supports undoubtedly helped. But if Hewlett had entered the relationship more aware of its partner's real strengths and weaknesses, the Foundation could have fostered the necessary capacities developmentally rather than engaging in a cycle of unrealistic expectations, disappointment, and efforts to fix problems without getting too far behind NII's timetable. Such a stance would have required both parties to be somehow more curious and more forthcoming at the outset.

At NII's outset, however, Hewlett staff did not ask their community foundation partners what tasks they knew they could carry out well based on experience, what tasks they would like to take on but would need assistance for, and what tasks would be better carried out by another party. Nor did community foundation staff voluntarily raise those questions with Hewlett. "I don't think there was any clear sense of what makes an effective community foundation and how we would develop it. I think [Hewlett] just thought that giving them more money would give them more capacity," a former Hewlett staffer says. Nor had the community foundations fully considered or understood what their role would be and, consequently, what capacities they needed to bring to the table.

As NII evolved, Hewlett staff became increasingly disappointed with the community foundations' performance in regranting money to sites, reporting progress and expenditures to Hewlett completely and on time, retaining project managers, arranging technical assistance for sites without guidance, and participating in the initiative's evaluation. Community foundation representatives dispute those assessments; some say that Hewlett's expectations were often unclear and changing and that their role was more that of a pass-thru entity or grant administrator than a grant maker. It is not our purpose here to prove either side right or wrong. Our interest lies in the fact that, as NII unfolded, the majority of interactions between Hewlett and the community foundations centered on these administrative activities rather than on the goals and substance of community change. Ironically, Hewlett seemed unwilling or unable to recognize the limitations within community foundations that NII explicitly sought to bolster.

A CULTURE OF ANXIETY AND BLAME

As NII evolved, a powerful dynamic of anxiety and blame surfaced. More often than not, the community foundations did not meet Hewlett's performance expectations. "We were always behind where they wanted us to be, we were never doing anything right," a community foundation representative recalls. To make matters worse, community foundation staff and local players felt that Hewlett's disappointment in them was communicated harshly. "And then I found myself not wanting to even try to talk about the issues. I just wanted to avoid them," our interviewee said.

A similar sense of anxiety existed within the Hewlett Foundation. Rather than create discomfort or risk conflict with Hewlett's senior leaders and board members, program staff tended to simply try harder, cover for the sites by rewriting their grant proposals or logic models, or pass the responsibility (and blame) to someone lower in the initiative's hierarchy. Those actions bought sites and staff some time by protecting the initiative's funding, but they also created a dishonest dynamic that affected all of NII's relationships, several staff members said.

ROLE CONFUSION

The San Francisco Foundation's experience as managing partner for NII in West Oakland illustrates how role confusion complicated the Hewlett/managing partner relationship. Hewlett could not identify an appropriate lead agency in West Oakland, so it asked TSFF to serve as both managing partner and lead agency during the planning period. This temporary arrangement ended up lasting for more than two years, however, because it took almost nine months to seat a board once Hewlett approved the strategic plan, and it took almost as long to hire an executive director.

TSFF's dual roles and responsibilities confused the community foundation staff and community members. A staff member reports recalls feeling caught in the middle between two sets of role pressures regarding NII's timetable, for instance. Wearing his managing partner's hat he tried hard to enforce Hewlett's timeline, but in his role as facilitator of the lead agency he was inclined to be more responsive to the resident's slower pace of work.

Role confusion also plagued the East Palo Alto site for several years. The first problem was overlapping responsibilities for the Peninsula Community Foundation, lead agency, and a TA provider around data gathering, analysis, and management. Then, in Year 2, OEPA began to assert its independence, "clashing with PCF around the foundation's directives regarding [OEPA's] insufficient oversight of personnel decisions and work groups, among other matters." In another instance, a workgroup made a hiring decision without informing or involving OEPA's board; PCF staff intervened when they realized what had happened, which alienated some community factions.[23] And after Hewlett took on the managing partner role in East Palo Alto, the line between funder, technical assistance provider, and facilitator of change became even blurrier.

From some local participants' perspectives, problems in one area of work tended to bleed into the others when Hewlett was playing multiple roles. From Hewlett's perspective, however, taking on those extra roles was the only way to keep the initiative alive during the leadership void that OEPA experienced in 2003-04. "I primarily made the decisions about investments, using the general issue areas residents had identified," a program director says, because otherwise the money would revert to Hewlett:

> *I chose good organizations to fund with the capacity to use the money well and included OEPA staff in the process. Once [a new OEPA director] was in place and some semblance of strategy and choices emerged, I followed her recommendations and changed Hewlett's role in the initiative...She was the leader and facilitator of local activities. I reviewed the grants as part of normal due diligence efforts but did not otherwise intervene.*

The role confusion subsided as OEPA's director took charge and the organization's influence spread. Several OEPA board members gained elected office and/or joined the boards of other major organizations in the community; OEPA leveraged a large grant from the school district for a successful, community-based adult ESL project; and Latino parents began to advocate for changes in the school system.

A different source of role confusion and complexity may have its roots in Hewlett's proximity to the three NII sites. Even though it chose community foundations to be its managing partners, Hewlett "lived" within 5 miles of one NII site and not far from the other two. This had the advantage of keeping the Foundation informed about NII's progress; Foundation staff had ongoing relationships with many of the local players and technical assistance providers. But being close at hand and knowing what was happening on the ground, while also trying to work through intermediaries, created different challenges than those faced by local foundations working directly with sites or by national foundations working through intermediaries from afar. Hewlett staff regularly faced role decisions about when to stay out of the action and when to intervene, a situation that was exacerbated by the Foundation's disappointment

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[23] Teamworks OEPA Final Report Year 2, p. 18

in its managing partners' performance. Moreover, Hewlett staff couldn't retreat to headquarters until disagreements cooled down, as staff from a national foundation might, because the activity was in their own backyard.

ACCOUNTABILITY, AUTHORITY, AND DECISION-MAKING

None of the managing partners felt that sufficient discussion of *who* has authority to make *which* kinds of decisions (and *when*) occurred at the outset of their relationships with Hewlett. Consequently, at various points in NII's evolution they felt they lacked the authority that goes along with being accountable. Perhaps the most extreme example was PCF's decision in 2002 to end its partnership with Hewlett, which stemmed from a sense that the pressure Hewlett exerted around the results framework

> "I learned from NII, among other things, how important it is to hold yourself accountable intellectually."
>
> —Community foundation representative

denied PCF the chance to implement NII as the community foundation thought best—and it also put PCF in a difficult position with the community, to which it also was accountable. PCF's feelings of being undercut and micromanaged became untenable because the community partner and Hewlett had not clarified what communication protocols they would use when they disagreed or who would take the heat publicly for unpopular decisions. These tensions are familiar ones for community change initiatives, but none of the players involved in NII made much headway on them.

SELECTED OBSERVATIONS ABOUT PARTNERSHIPS WITH COMMUNITY FOUNDATIONS

National and regional foundations increasingly invest in and partner with community foundations in order to pursue their mutual philanthropic goals. These partnerships have become more powerful as community foundations learn to play increasingly sophisticated leadership roles in the community and as national foundations learn how to treat community foundations as partners rather than as traditional grantees. [24]

Before we turn to the observations our interviewees made about effective foundation-intermediary partnerships, however, we want to look more closely at community foundations as intermediaries or managing partners in NII. Hewlett staff assumed that NII's partnering community foundations already possessed deep relationships with the target neighborhoods, the reporting and financial management capacities required by an initiative like NII, and a track record of strategic and proactive work. As we have seen, those assumptions proved to be only partially accurate. As in the Ford Foundation's Neighborhood and Family Initiative, for instance, NII's community foundation intermediaries tended to have some connections with most local constituencies but not the deep relationships beyond neighborhood gatekeepers that Hewlett had hoped for. Similarly, most community foundations have only nascent capacity to engage and sustain their donors' time, talent, and financial resources in long-term initiatives.

How might Hewlett and the community foundations have worked together to develop the necessary strategic capacities? Other national and regional foundations have taken two tacks simultaneously:

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[24] See:

- Hamilton, R., Parzen, J. and Brown, P. (2004). "Community Change-Makers: The Leadership Roles of Community Foundations." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.

- Bernholz, L., Fulton, K. and Kasper,G. (2005). "On the Brink of New Promise: The Future of U.S. Community Foundations." Blueprint Research and Design, Inc. and Monitor Company Group, LLP.

- Hughes, R. (2005). "Philanthropies Working Together: Myths and Realities." Published by *Practice Matters*, the Improving Philanthropy Project. Available online at www.fdncenter.org/for_grantmakers/practice_matters/.

helping the community foundation implement the initiative, and developing the internal commitment, resources, and skills needed to sustain the work beyond the life of the grant.[25] Based on our interviews for this study, the qualities, expertise, and resources that community foundations needed to implement NII strategically were very similar to those needed by NII's neighborhood intermediaries (described in Chapter 2). They include the ability to: (1) set a clear vision and goals for change; (2) develop strategies and actions to achieve those goals, and a clear rationale that links the strategies to the goals; and (3) test and improve their approach along the way. Along with these responsibilities would necessarily come the authority to make key decisions about NII's implementation and progress.

An effective strategy for building those capacities within community foundations would take into account the differences among their size of discretionary resources, history of giving, level of donor engagement, board and staff leadership, and areas of program expertise. After all, national or regional foundations that make large, strategic, multi-year grants often have different goals and capacities than geographically circumscribed community foundations with broader, more localized interests and accountabilities. Therefore, Hewlett and the community foundations would each have needed, at the outset of NII, to explicitly state the initiative's values and goals, consider the community foundation's attributes, determine what adaptations or additional capacities were needed to do the work well, and plan how to acquire or develop the new capacities. If the initiative changed substantially as it unfolded, as NII did, the partners would need to revisit those topics. Those conversations did not occur in NII, however. And so, midway through the initiative when Hewlett staff determined that the community foundations "weren't acting strategically enough," they struggled with how to enhance the foundations' capacities.

In all of our discussions about strategic capacity, NII participants made the point that the quality of the relationship between a sponsoring foundation and managing partner (i.e., the community foundation) is directly related to the performance of both institutions. Thus the following observations about sponsoring/community foundation partnerships also speak to the issue of building mutual capacity:

> ***Make sure the <u>sponsoring foundation's</u> board and staff are clear and in agreement about the initiative's goals, strategies, risks, and timeline for achieving results.***

A sponsoring foundation needs to consider whether the roles required by an initiative match their foundations' operating style, capacities, and tolerance for risk. Frequently, foundation staff "sell" an approach to the board but then find themselves under incredible pressure (bordering on panic) to produce, either because the plan is unrealistic, intermediate outcomes are not articulated or dismissed as unimportant, or the foundation's partners have not performed as expected. Then, as one of our reviewers noted, the focus shifts to managing disappointment and trying to assign fault elsewhere—leaving little room for mobilizing assets or learning from the work.

> ***Make sure the <u>community foundation's</u> board and staff are clear and in agreement about the initiative's goals, strategies, risks, and timeline for achieving results.***

A community foundation needs to assess its own readiness and commitment to serve as an intermediary partner. A tool produced by **The James Irvine Foundation's** Community Foundation Initiative helps community foundation staff work through the process.[26] It emphasizes the need to ask and answer questions about initiative purpose (how might the initiative add value?), partners (who else will the foundation need to carry out the initiative successfully?), and practices (what is its own readiness, resources, and capacity to take on the initiative?). Such an examination can help a community

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[25] Mayer, S. (1994). "Building Community Capacity: The Potential of Community Foundations." Minneapolis: Rainbow Research; and The James Irvine Foundation (2003) "Community Catalyst: How Community Foundations are Acting as Agents for Local Change." Available online at www.Irvine.org.

[26] The James Irvine Foundation (2003). "Eyes Wide Open: Deciding When to Launch a Community Initiative." Available online at www.Irvine.org.

foundation resist tempting opportunities that might bring new resources into the community but exceed the foundation's threshold capacities—or it can help community foundation staff identify the supports the will need if they decide to participate. In retrospect, at least one of NII's managing partners wishes it had paid more attention to its own capacity building throughout the initiative so that it could more fully embed key aspects of the work—such as the staff, skills, and to some extent the deep knowledge that had been developed—in the foundation following NII's formal conclusion.

Treat the potential intermediary as a fellow change agent rather than as a technician.

Sponsoring foundations frequently approach a potential intermediary by outlining the mechanics of the proposed relationship. Unless the foundation needs its intermediary to have a narrow scope or limited discretion, however, it is more useful to think about an intermediary as a fellow change agent. "The first conversation shouldn't be about whether they can get the grants out but whether the relationship can advance the mission of the community foundation. We didn't pay attention to that," a Hewlett staff member observes.

> If the partner isn't seen as a fellow change agent, "it creates a difficult context in which to build relationships that are deep, thoughtful, and can handle the surprises that will inevitably come up in the relationship."
> —Community foundation representative

Because the technical dimensions of budget cycles and grant approvals dominated the NII managing partners' relationship with Hewlett, a community foundation executive suggests that leading with money *in the partnership* tends to "skew and handicap the work"—just as it does when foundations pour lots of money into a community before understanding the likely impact. Approaching the intermediary as a fellow change agent, however, allows collaborators to focus on mutual goals and strategies rather than making technical processes the centerpiece of the relationship.

Take time to build a relationship informed by an understanding of each other's goals, capacities, and cultures.

An investment in relationship building at the start of a long-term initiative will surface the real capacities and constraints that partners bring to the table and create the mutual understanding needed to address later issues. Staff from both Hewlett and the community foundations acknowledge that they knew very little about each other's organizations at NII's outset. This explains why Hewlett concluded fairly quickly that it had overestimated community foundations' capacity to carry out NII as envisioned, provided extra support to the community foundations, and relieved them of some of their tasks (most importantly NII's technical assistance). Community foundation staff, meanwhile, report that they didn't fully appreciate the internal pressures and priorities at Hewlett.

> "Just because a foundation wants something to happen, it can't ignore the work that goes into making it possible for things to happen. This can take a lot of time." —NII contractor

Bring the intermediary responsible for managing the initiative into the planning process early enough to develop a shared vision for change.

By engaging an intermediary (in NII's case, the community foundations) early on, the foundation can share its vision and test out key elements of the initiative's design with the party whose job it will be to implement them. Such an approach also promotes mutual ownership and investment, which helps to keep divergent or competing ideas about goals and outcomes from derailing the initiative.

Address the dynamic that unequal power brings to the relationship.

Even though they are foundations themselves, when community foundations serve as intermediaries for larger private foundations may have trouble expressing their concerns about the initiative or representing their own strengths and weaknesses honestly. Until each party trusts the other's interests and understands its constraints, the partnership is vulnerable to arrangements that look good but won't hold up. And, if the larger foundation uses its power inappropriately, the partnership's trust, candor, and opportunity for learning deteriorate. The observations outlined above (about getting to know your partner and developing a shared agenda, especially) and below (about understanding roles and the rules of engagement) can help buffer the power imbalance.

> "It should be like the Wild West, how they sometimes all agreed to leave their guns at the door of the saloon. There needs to be a democratic space where everyone can come to the table and have a dialogue from which they all come away smarter." —NII observer

Establish a tone of mutual respect, transparency, and shared risk-taking.

Effective working relationships are as much about attitude and posture as they are about specific behaviors. These attitudes set the tone for all that happens; they create possibilities and close off options. If the foundation and intermediary feel they are working toward the same goals and sharing risks together, they are more likely to communicate honestly with each other and to devote their energy to the challenges of the work—not to managing the dynamics of the relationship.

Build the relationship between institutions, not just individuals.

As NII demonstrated, foundations' program staff have too much already on their plates to be the sole linchpin of foundation/managing partner relationships. Furthermore, individual staff are likely to move on to other foundations or professions before the initiative ends. So it makes sense to build relationships at the institutional level rather than between individuals. But foundations change, too; initiative designers and champions come and go, board members and executives turn over, and leaders adopt new paradigms and practices. Thus it may make even more sense to establish a board-staff committee at the sponsoring foundation to oversee the initiative internally, and convene it periodically with a similarly composed committee from the intermediary. Such committees help to institutionalize the initiative within the partnering organizations, and they provide continuity despite changing players and priorities.

Clarify roles, mutual accountabilities, and rules of engagement.[27]

This means addressing how the partners will share authority and responsibility, control funds, communicate with each other, resolve differences, learn together, and evaluate each other's performance. What kind of bad news does the foundation want to hear, and how? What kind of contact does the foundation expect to maintain with the grantees in neighborhoods? And how can the original understandings and commitments endure while also being open to review and modification?

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[27] See Brown, P. (2005). "The Experience of an Intermediary in a Complex Initiative: The Urban Health Initiative's National Program Office." Available online at www.urbanhealth.org.

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CAPTURING CHANGE:
EVALUATION AND LEARNING IN NII

Community change initiatives are notoriously hard to evaluate. Their complexity, broad scope, dynamic nature, and vulnerability to uncontrollable variables pose inherent obstacles to experimental, or even quasi-experimental, evaluation design. Consequently, deciding what to measure, how to measure it, how to collect the data, and how to interpret the results is a challenging process that involves many tradeoffs of rigor, practicality, and resources. Nonetheless, every community change initiative offers an opportunity to assess progress toward goals, to help participants learn better strategies, and to build knowledge within the field of community change.

Unfortunately, NII's struggles with evaluation left Hewlett and its partners disappointed that the initiative did not generate as much knowledge or learning as they hoped for. This chapter explores the decisions, activities, and factors that shaped NII's experiences with evaluation and learning and the implications we distill from those experiences.

ADOPTING AN OUTCOMES FRAMEWORK

As described in Chapter 2, Hewlett's 2002 adoption of an explicitly outcomes-based framework for NII required sites to make some major changes. Although the original design had called for "statistical evidence of changes in poverty indicators," it was only in 2001-02 that the Foundation developed an explicit strategy to help sites focus on outcomes. The shift occurred four years into the work in Mayfair, two years into West Oakland, and about a year into East Palo Alto.

Hewlett's heightened attention to outcomes was precipitated by the arrival of a new president, but it had roots in a classic and widespread foundation perspective, characterized (in our words) as: "We're spending a lot of money and we aren't confident that our grantees are on track to achieve the goals, so we'd better focus everyone on what their desired outcomes are and how to achieve them." Hewlett President Brest says he was less concerned about pushing sites to *get* results than about getting them to clearly identify what results they wanted

> "We never expressed disappointment in NII for not achieving results. The disappointment was a step before that, in [people] not knowing what they wanted to do."
> —Hewlett Foundation representative

and what resources they needed to achieve them. The parameters of the mandate were less clear to Hewlett staff, however. They hired consultants to help local collaborators develop a logic model, performance measures, and intermediate outcomes for their activities. But they also felt great pressure to demonstrate positive results, and they conveyed that sense of urgency to local partners.

The changing paradigm did not sit well with NII's managing partners, local lead agencies, or neighborhood partners. For many, the challenge of specifying target outcomes within a logic model framework was beyond their reach. After revising their logic models multiple times and still not reaching the level of clarity Hewlett sought, a community foundation source says, the process of figuring out how the pieces fit together lost its meaning. That might be so, a Hewlett representative acknowledges, but adds, "If you were putting large amounts of money into implementing a strategic plan, wouldn't you want to get it right?" A local participant, in turn, explains his frustration: "The message was, 'We want *these* outcomes and indicators. Here is the logic model process you have to use.' It became much more rigid. The initiative became about helping Hewlett demonstrate changes rather than pursuing what we wanted to do."

The difference in perspectives between how Hewlett and other NII participants experienced the adoption of a more explicitly outcomes-based framework illustrates well the *Rashomon* effect to which we referred

earlier. Unfortunately, when differences like these are not resolved in a way that speaks to all partners' needs, they spill over into other dimensions of the initiative. For example, many of Hewlett's collaborators saw the changes as a direct challenge to one of NII's core principles, the critical role of residents in driving the work. "I was never against the logic modeling exercises and the pressure on outcomes," a local partner says. "It was the way they did it and the timing; they took it away from the people."

Hewlett staff now say they should have been clearer that it wasn't an either/or situation—managing partners "didn't have to stop talking with residents" but they did "need to be clearer about what outcomes [they were] going to get." Unfortunately, at the time the angst over *how* the outcomes framework was introduced overwhelmed any discussion about *what* outcomes should frame the work.

EVALUATING THE WORK

NII's evaluation grew to encompass an implementation study and performance data tracking.

IMPLEMENTATION EVALUATION

After inviting proposals from several potential evaluators, in 1997 Hewlett selected Teamworks, a San Francisco-based management consulting organization, to evaluate NII. At that point, the Foundation expected to contract with only one evaluation firm.

Hewlett's NII staff were not evaluation experts themselves, and they weren't entirely clear what they wanted from the evaluation or what, in fact, the evaluation could and could not accomplish. They did, however, want Teamworks to provide "evidence of impact." The evaluators, meanwhile, felt it was impossible to establish causality between inputs and outcomes in a complex initiative like NII.

The approach that Hewlett and Teamworks ultimately agreed upon can be characterized as implementation evaluation, and it was very similar to that of other CCIs at the time. Teamworks would review documents, observe site activities, interview key stakeholders and then produce rich and detailed descriptions of how NII unfolded in each site, along with an assessment of strengths and weaknesses and recommendations to advance the work going forward. To support the analysis, Teamworks also required directors of the local lead agencies to collect data and craft a narrative explaining their work during a given time period.

> "We were very attuned to being able to say something about what we had accomplished. Maybe we were somewhat naïve about that, but we wanted to be able to count things,…to see [tangible]results of the proposed interventions."
>
> —Hewlett staff

Teamworks generated two reports annually per site, guided by research questions that the evaluators and Hewlett agreed upon at the beginning of each year. Teamworks expected the reports to help sites put what they were doing in a broader framework, giving them the power and ability to talk with people outside of the community in new ways. The evaluators also met with NII participants in the sites to discuss the evaluation findings, hoping that their feedback would reinforce successes and encourage efforts to address areas of concern.

Most community foundation staff seem to have valued and acted on Teamworks' analyses of programmatic issues and its "watch list" of issues aligned with NII's goals. Most thought the reports contained important insights and useful issues.

Hewlett leaders and staff, however, were dissatisfied. They would have preferred more analytic, less descriptive reports with recommended changes that were more tightly linked to the analyses. They wanted more help identifying and analyzing interim measures of success. They felt the evaluators fixated

on "process, to the exclusion of substantive outcomes" and were sympathetic to sites' troubles "at the cost of being candid." NII staff wanted the reports to include more constructive feedback about NII's quality and outcomes compared to other CCIs', to best practices in the field, or to some other knowledge or research base that would help inform thinking about NII. During the evaluation's early years, conversations between Teamworks and Hewlett staff about those desires were sometimes very contentious.

The frustration that Hewlett staff felt with evaluation was widely shared by other funders and, indeed, many evaluators of CCIs. The state of the art for evaluating community change was evolving but still fell short of the precision that accompanies traditional, experimental-design evaluations of simple interventions. The type of documentation that Teamworks conducted for NII was the standard for evaluations of multi-site initiatives—similar to that used by evaluators of the Ford Foundation's Neighborhood and Family Initiative and Casey's Rebuilding Communities Initiative, for example. Documentation plays an important role in understanding community change initiatives, because it captures information about the levers and context for change especially well. A common critique, however, is that too much descriptive data without a strong analytic framework or outcomes focus is overwhelming in its detail and limited in its utility to improve practice. [28]

Our task is not to evaluate NII's evaluation. We do know, however, that Hewlett hired an evaluation firm with the skills and capacities needed to design and conduct a top-notch evaluation. Based on our interview data, it is likely that the continuing push and pull between Hewlett and NII's evaluators was another effect of relationships that got off on the wrong foot. The evaluators felt that Hewlett's expectations for evaluation were constantly shifting and sometimes unrealistic, and the Foundation felt the evaluators adhered rigidly to a methodology that didn't yield the data it wanted and the sites needed to guide in-course corrections.

People working in the NII sites, meanwhile, grew to trust the Teamworks evaluators but remained aware that Teamworks' primary audience was its client, the Hewlett Foundation. Their reactions to the evaluation reports ranged from appreciative to dismissive. Some sources affiliated with the intermediaries said they only scanned the reports to learn what problems had been reported to Hewlett; some expressed regret, in retrospect, that they didn't spend more time digesting and acting on the reports' lessons; and we heard about a site where, six months after a Teamworks report called for more strategic networking and focus on organizational capacity, those features soon were visible in the intermediary's work.

PERFORMANCE DATA TRACKING

Initially, Hewlett gave its managing partners responsibility for establishing and tracking performance indicators at each site. Given the multiple goals, strategies, and populations involved, NII's data collection needs exceeded the managing partners' capacity (and, some respondents say, their agreed-upon role), so the community foundations contracted with university research departments or consulting firms to help out. By 2001, however, it was clear that none of the sites had a robust data tracking system. Concurrently, the Foundation's new president and board were asking about NII's impact, and staff were scrambling to find the "statistical evidence of changes in poverty indicators" described in NII's design.

Concerned that the initiative could be undermined by the lack of uniform data collection, Hewlett staff hired a second firm, JMPT Consulting, to take responsibility for collecting performance data in Mayfair and East Palo Alto. JMPT, a newly founded company that was already advising Mayfair, created a database of

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[28] See Auspos,P. and Kubisch, A.C. (2004). *Building Knowledge about Community Change: Moving Beyond Evaluations.* New York: The Aspen Institute (available online at www.aspeninstitute.org). Also Snibbe, A. (2006). "Drowning in Data." Stanford Social Innovation Review, 39-45.

programmatic data (e.g., client enrollment by program, demographic characteristics of participants, number of participants demonstrating progress on specific performance measures, summary information reported by program directors). The database gave Hewlett, its technical assistance providers, and local players "a structure to talk about what performance was and what outcomes were," an NII source says, and it helped to pinpoint some programmatic successes and shortcomings. Still, Hewlett was dissatisfied. Once again, leaders felt the evaluators were trying to provide an encouraging view of NII rather than "an honest assessment," and they wanted a deeper level of analysis than JMPT sometimes provided.

JMPT encountered the same dilemma that sites faced, however, when trying to implement NII: The broad theory behind the initiative was that an "empowered" community would figure out what strategies work best to turn the corner on poverty, and there was no conceptual framework or pathway to link that theory with outcomes. Moreover, the large number of small-scale projects, many of which only served a handful of residents, made demonstrating population-level results or linking strategies to specific results out of the question. In the end, therefore, the performance database was not particularly helpful as a tool for capacity building, strategic intervention, or impact evaluation. A more robust and unifying theory of change might have helped NII shift from a narrowly programmatic set of outcomes to the focus on community-level results to which Hewlett aspired.

In retrospect, a former Hewlett staff member says, "We probably should have revamped the evaluation process totally in Year 2 of each site":

> *After the planning process was done, we should have gone back to the board and the community and asked, how would one measure the impact of this work and how does it fit into a larger strategy for the community? Given that the range of projects don't connect around a central theme, how do we prioritize this laundry list of work?...I don't think the evaluator needs to be the one to do this work, but it needs to be done in order to structure the evaluation.*

INTEGRATION OF THE TWO EVALUATIONS

NII leaders found it very difficult to consolidate the Teamworks and JMPT findings or develop a line of analysis connecting the two, not for lack of goodwill on the evaluators' part but for practical reasons. The data were collected at different levels—from individuals by Teamworks and from programs and organizations by JMPT—and focused on different research topics (i.e., the processes, relationships, and perspectives that shaped implementation for Teamworks; service delivery and performance measures for JMPT). Until Hewlett hired an evaluation management consultant, there was no mechanism to ensure that the evaluation firms communicated with each other, that Teamworks benefited from JMPT's analyses of program data, and that JMPT benefited from Teamworks' understanding of why the data showed what they did.

EVALUATING COMMUNITY CAPACITY OUTCOMES

The multiple and shifting perspectives on what NII was trying to accomplish (e.g., changes in poverty indicators, programs that produce tangible improvements in the lives of residents, and/or strengthened neighborhood leadership and infrastructure) impeded evaluation—as did a predictable tension between community-building goals, which feature hard-to-measure processes, and so-called "hard" outcomes.[29] The performance tracking that JMPT conducted focused on micro-impacts at the programmatic level and excluded measurement of progress toward the NII goals associated with building community capacity, such as leadership and organizational development. Both Teamworks and JMPT tried to identify and measure these aspects of increased capacity over time, but the results tended to be largely anecdotal.

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[29] Connell, J.P., Kubisch, A.C., Schorr, L.B., and Weiss, C.H., eds. (1995) *New Approaches to Evaluating Community Initiatives Volume 1: Concepts, Methods, and Contexts*. New York: The Aspen Institute.

One of the most promising aspects of this work focused on trying to assess increases in the strategic capacity of the new local intermediaries (MII and OEPA). In fact, JMPT's final report on Mayfair argues that the field needs to take seriously capacity outcomes like the ability to "plan, design, and implement programs; advocate for the neighborhood with policy makers; and set up structures for using data on the community's behalf."[30] The value placed on these outcomes for their own sake—not just as "soft" measures that may lead to something else—is consistent with JMPT's view that "the most important impact of a CCI may be the lasting learned capacity among participants to continue to make change in themselves and their communities." Unfortunately, JMPT did not extend this line of analysis substantially following the Mayfair report, so benchmarks of OEPA's potential growth in strategic capacity over the last several years were not systematically identified and tracked.

LEARNING FROM NII

When NII began, the philanthropic field did not have a well-established base of knowledge about community change. NII had an opportunity to be truly experimental—to use trial, error, and revision to expand that knowledge. Many of NII's participants now say they wanted to learn as the initiative unfolded, but in reality there were few successful opportunities for the reflection and experimentation needed to learn while doing.

Several factors and choices impeded learning in the Neighborhood Improvement Initiative. First, individual hopes of learning came up hard against the anxiety and blame discussed in Chapter 3. A Hewlett source expressed this eloquently:

> When you feel pressure around results, there can be a tendency not to learn, to just rigidly apply what you already know. There isn't room for the pliability needed for learning—the awareness of your own ego, of the things that get in the way of learning—when there is the terrible fear that you might do something wrong or be exposed as wrong.

Second, at the beginning of the initiative Teamworks proposed evaluating Hewlett's role in the process of implementing NII, but Foundation staff declined. It simply didn't seem that important, an interviewee recalled; like most foundations at the time, Hewlett had only recently begun to invest substantially in evaluating grantees, and the idea of evaluating its own role was so unfamiliar that "it would have been a hard sell to the Board."

Many—perhaps most—foundations exempt themselves from their own evaluations because they don't see themselves as part of the action, they have a return-on-investment orientation that places full responsibility for the "return" on the grantees, or they prefer not to have their actions scrutinized publicly. NII participants, however, viewed Hewlett's decision as a statement that the Foundation didn't want outside scrutiny or feedback on its own performance, which they interpreted as a sign of bad faith. By not publicly sharing the intellectual risks of this decidedly risky venture, interviewees said, Hewlett was being "arrogant," "rigid," and "dictatorial." These comments (the first from a community source, the second from a community foundation) express the sites' frustration:

"It was OK that Hewlett didn't know what it was doing, given the state of the field. But [somehow Hewlett] couldn't take a learning approach that was much more fluid, experimental, collaborative. Such a stance would have freed everyone up to be creative, learn together, share risks."

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[30]Kubo, M.M., Wong, A.J., and Morales, E.F. (2004). "Missing the (Tipping) Point: Looking for Impact and Discovering Learning in a Comprehensive Community Initiative." San Francisco, CA: JMPT Consulting, Inc.

Hewlett tried to sit pretty much outside of the dynamic so it could blame us, not take the same risks, make them feel that problems were because we (the community foundations, staff, TA providers, etc.) were not good enough. But by taking this approach, Hewlett got exactly what it didn't want. It was very hard for anything to take hold. People are not at their best when they are confused and afraid and angry.

There is hubris in saying, "This is the design, give us the intended outcomes." If we don't come up with them, Hewlett assumes we're doing it wrong rather than the other possibility—that the design is flawed.

Once this kind of dynamic gets established, it affects interactions throughout the initiative.

Third, NII's attempts to stimulate cross-site learning never really took root. Although NII stakeholders disagree about many things, they all agree that little learning occurred across sites. A typical comment was, "There was a separate initiative in each site instead of one initiative with three sites"—something that changes from a pro to a con depending on one's perspective. Several community foundation and neighborhood representatives saw the disconnectedness as a sign of NII's incoherence. To at least one Hewlett staff member, however, it was a strength: "We got in more trouble when we tried to centralize or standardize things across sites. They really needed different things."

Hewlett established listservs, held weekend gatherings for the sites' board members, brought site leaders together, and convened periodic cross-site learning meetings that involved local participants, evaluators, and technical assistance providers. Participants in these exchanges seemed to gain some moral support from each other—a result that Hewlett staff see as important, although insufficient—but by all reports the exchanges did not produce much new knowledge. A university representative who praised the concept of cross-site learning says that NII's convenings failed because "there was no shared paradigm, no robust conceptual framework, and no way to talk about this central problem...The cross-site meetings were a good idea but Hewlett couldn't articulate what it wanted to learn, couldn't have authentic relationships through which to learn, and didn't want to take a stance that acknowledged what it didn't know."

From Hewlett's perspective, there were other barriers to cross-site learning. Many of the outside experts seemed unable to discuss data, findings, and strategies with neighborhood residents in ways they could understand and benefit from. The cross-site gatherings occurred when the work on the ground was still nascent, when people weren't ready to share knowledge within their neighborhood—let alone with people from other neighborhoods. And the contextual differences between neighborhoods made some knowledge inapplicable from site to site. Hewlett staff now say that cross-site learning "sounds like such a good idea" but question whether it is the most powerful strategy for knowledge development:

Investing a lot of resources for cross-site connections, especially when there simply aren't so many resources, is not equivalent with investing in intra-site learning or even connecting the sites with projects elsewhere around the country that have similar issues. East Palo Alto had more in common with some neighborhoods in Chicago than it did with San Jose, for example, and EPA leaders actually went to Chicago for a site visit....I believe the bigger return on learning would be within the site, where so many different actors and constituencies need to come together.

Fourth, NII missed the opportunity to explicitly lift up, examine, understand, and react to the racial and ethnic tensions that existed in NII neighborhoods—and, consequently, to learn from them. Diversity issues abound in almost every community change initiative, yet foundation-funded initiatives rarely take their effect into account or make it possible to learn about them in real time, and NII followed the same path. "It was phenomenally frustrating that there were three neighborhoods in which these themes of racial/ethnic tensions were operating but...it took a very long time for any one neighborhood to be able to benefit from what was being learned by others," a community foundation source notes.

In sum, Hewlett staff encountered the predictable evaluation and learning challenges inherent in community change initiatives, which were exacerbated by the midstream shift in NII's conceptual framework. To Hewlett staff, the implementation evaluation approach did not seem to reinforce the outcomes focus they wanted to promote in the sites, nor did it appear to be building site's strategic capability for change. When Hewlett tried to reenergize OEPA participants, evaluators, and Hewlett staff through a "learning session" in 2004, staff felt that the evaluators did not "step up to the plate" and resisted (or were unable) to find new ways of engaging with the site and the Foundation. Several participants in that meeting commented that, by that time, poor communication among the evaluators, the grantees, and the Foundation hampered the development of a safe learning environment in which all parties could share their perspectives effectively.

SELECTED OBSERVATIONS ABOUT EVALUATING AND LEARNING FROM COMMUNITY CHANGE

We have already noted the challenge that NII's theory of change posed for evaluators. But it is also true that initiatives like NII often operate at a disadvantage because the theory about the social condition they are trying to change is undeveloped. This makes evaluation not only tougher to do but even more important to do well. As researcher Gerard Alexandar noted during a discussion of "strategic giving" in late 2006:[31]

> Any theory about which kind of nonprofit action is most likely to have a desired effect requires...some knowledge of what makes political, social, or economic changes occur. [For example], if you want to alleviate poverty, you can't just say which nonprofit vehicle will be most likely to do so. You have to have a theory, in effect, of poverty—of what non-foundation activities seem to alleviate and exacerbate it, about what kinds of things are contributing to it, and so on.

> The fact is—and this is the rub—we don't know enough about social processes to be very expert in them. [Social] science's knowledge about what causes poverty, or a lot of other things, is deeply inadequate.

> There are three big implications of not knowing that kind of thing. First, we mustn't pretend that we do. Second, we ought, in a spirit of humility, to experiment to try to find out more...And third, [we] have to try and measure the effects of the experiment.

Hewlett's disappointment with NII's evaluation raises two questions in particular. First, what options did the Foundation have to address its evaluation concerns when it adopted a more explicitly outcomes-based framework? Hewlett could have dropped the implementation evaluation and started again with a new evaluation design, using either the same or a different evaluator. There are obvious pros and cons to this approach depending on the value of the implementation evaluation—and, as we have seen, different parties have quite different views on that. (For that matter, the evaluators could have voluntarily parted ways with Hewlett if they felt they could not do what was asked of them.) Hewlett could have narrowed, scaled back, or otherwise modified the existing evaluation if the evaluator was willing and able to shift its approach. Or Hewlett could have augmented the implementation evaluation with another approach. This, in fact, is what the Foundation did by hiring JMPT.

None of those options were entirely satisfying, however—partly for technical reasons and partly because they did not grow out of a common understanding between Hewlett and the sites about what was

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[31] October 19, 2006. Remarks by Gerard Alexander, Associate Professor, University of Virginia, and advisor to the Searle Freedom Trust. Made during in a panel discussion of *Strategic Giving: The Art and Science of Philanthropy,"* by Peter Frumkin, in Washington, DC at The Hudson Institute's Bradley Center for Philanthropy and Civic Renewal.

important to examine, measure, and report and why. This limited the ownership, creativity, investment, and flexibility that all parties, including the evaluators, brought to the enterprise.

Second, how could evaluation do a better job of helping initiative participants think and work more strategically? After considering the experiences of NII stakeholders, we offer these observations about how foundations might shape the learning and evaluation enterprise to better meet their own goals, increase the strategic capacity of grantees, and contribute new knowledge to the field. This is not a comprehensive set of suggestions for philanthropy; rather, it focuses on aspects of learning and evaluation that were most salient for NII.

Establish an evaluation framework at the outset.

A funder who intends to use a theory-of-change approach, logic models, or some other organizing framework should make that clear during the planning process. The theory may change over time—in fact, if the foundation and its partners are truly committed to learning while doing this work, the theory will undoubtedly be modified. But as NII has demonstrated, it is much easier for participants to absorb modifications than to incorporate an entirely new conceptual framework or way of thinking after strategic plans have been drafted and implementation begun. The same is true for evaluators, who need to be flexible and responsive to evolving theory but may be hard pressed to adopt a very different evaluation design midstream.

Establish a shared agenda for learning about community change.

An initiative as complex and multi-faceted as NII can generate many different kinds of knowledge. The sponsoring foundation and its partners need to prioritize the questions to be addressed and consider the kinds of data and analyses that different audiences (e.g., foundation board and management, community partners, broader field, etc.) would find useful. For example, the learning agenda might be driven by a core issue within the field of community change, such as which resident engagement practices make sense for which kinds of community change goals and enterprises.

By involving other players in shaping the learning agenda and figuring out how to implement it, the funder encourages broader support for data activities, helps to clarify expectations, and reinforces the notion that learning is a shared enterprise to which everyone can and should contribute. As NII demonstrated, people do not learn if they do not feel safe, so attention must also be paid to creating the conditions under which all parties can pursue the learning agenda together.

Draw upon the expertise of an external advisory committee for evaluation and learning.

Many foundations have found it useful to convene a group of experts with diverse experiences and perspectives to help weigh the relative advantages of different approaches to evaluation and to connect the evaluation to the latest thinking in the field. Frequently, this group is most engaged during the initial design phase and then reconvenes periodically to help interpret interim findings, refine the approach to accommodate experience on the ground, problem-solve when the evaluation faces obstacles, and disseminate results to diverse audiences.

Don't start implementation without a shared definition of success and how it will be measured.

NII was launched without a clear definition of what success would look like. Knowing the pathway to success, however, is as important for knowing what to measure as it is for knowing what actions to take or what resources to draw upon. (In fact, a unifying theory of change may be especially important in initiatives that involve nonprofit community-based organizations, which traditionally operate in a narrowly

programmatic environment. The theory becomes a tool for moving participants from a programmatic perspective to thinking about community-level results, and for assessing progress in that direction.)

The definition of success may evolve over time, and the tools for measuring it may be imperfect, but having a shared definition up front helps avert conflict and disappointment down the road. This is not a call to specify outcomes prematurely or to cleave rigidly to obsolete measures of success. Indeed, outcomes are likely to evolve in response to new knowledge, new capacities, and new experience on the ground. It is simply a recognition that, more often than one would hope, foundations and their partners do not make explicit at the outset their assumptions about what changes they hope to see in the target communities or how they expect to know whether such changes have occurred.

> ***Recognize, measure, and track a full range and continuum of outcomes, including changes in capacities and behaviors, instead of categorizing results as either processes or products or rejecting "soft" outcomes.***

The process-product tension is well-documented in the history of CCIs, most notably by the Aspen Roundtable on Comprehensive Community Initiatives in *Voices from the Field (I)*.[32] As *Voices'* authors note, products (e.g., affordable houses, new street lights) are appealing because they are tangible and often early measures of success. But CCIs also are defined by their commitment to the more slow-growing processes ("soft" outcomes) that make community change authentic, possible, and sustainable: community building, capacity building, leadership development, resident empowerment, and resident participation.

Positioning product against process—getting things done vs. how they get done—creates a false dichotomy because they are inextricably related. Tension does surface, however, under pressure to achieve results quickly and efficiently, and in that context measurable products often take priority.

One of our reviewers emphasized the important distinction between outcomes thinking and outcomes measurement, making the case that it's very useful for everyone involved to think in terms of the outcomes they want the initiative to achieve but it is equally important not to let the challenges of measurement narrow the scope of legitimate outcomes or results that matter. NII's experience suggests that instead of dividing outcomes into processes and products, funders of community change should recognize that changes in how people think and act are, in and of themselves, important outcomes to be valued and measured, if imperfectly. Such outcomes include: an increase in political acumen; greater skill at developing strategies linked to clear goals; enhanced ability to make and act upon decisions; increased capacity to identify and attract resources; etc. These outcomes are related to another that came up frequently in our review: expanded and strengthened social networks, which give a community access to the expertise and resources needed to achieve goals over the long run.

The last few years have seen several attempts to help people and organizations measure the development of these and other skills. The McKinsey Capacity Assessment Grid, designed to give nonprofit organizations a sense of their strengths and weaknesses, is a starting point. Reviewers praise two of this tool's aspects in particular: "It includes the most comprehensive set of questions and recognizes that organizational capacity includes higher-level elements of leadership, mission, and vision; [and] each question uses a four-level rating scale with detailed descriptions of activities that demonstrate capacity at each level," thus ensuring that assessments are relatively consistent across respondents.[33] The McKinsey Grid contains indicators of capacity in seven areas—organizational aspirations, strategy, skills, human resources, systems and infrastructure, structure, and culture—but could be expanded or

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[32] Kubisch, A., Brown, P., Chaskin, R., Hirota, J., Joseph, M., Richman, H, and Roberts, M. (1997). *Voices from the Field: Learning from Comprehensive Community Initiatives*. Washington, DC: Aspen Institute.
[33] Guthrie, K., and Preston, A. (2005). "Building Capacity While Assessing It: Three Foundations' Experiences Using the McKinsey Capacity Assessment Grid." San Francisco: Blueprint Research and Design, Inc., p. 4.

adapted to encompass community-building capacities, too. Promising work being done in the field of social and organizational network analysis may generate useful metrics for measuring this key outcome.[34] Other benchmarking frameworks have been developed (and continue to be refined) by Collaborations that Count (Ford Foundation), Making Connections (Annie E. Casey Foundation), Women's Funding Network, Action Aid/Institute for Development Research, and Alliance for Justice, among others.[35] Additional work on benchmarks, scales, rubrics, definitions, and other continuum-oriented tools will advance the field even further—especially if the tools link strategies to outcomes.

> ### Recognize that grantees may not enter the initiative with capacity to produce outcomes or track progress toward them.

It may be necessary to build grantees' (and communities') capacity around data and evaluation before they can provide evaluators with data or use evaluation findings productively.

> ### Position evaluation as a tool for improving practices and nurturing the change process as well as for gauging outcomes.

There are several ways to do this. One is by creating a system for documenting and analyzing what initiative participants are doing in the communities, within participating organizations, and even in the sponsoring foundation itself. This usually includes establishing the expectation that evaluation data will inform and guide participants in real time.

Another is to use data for planning and feedback, especially for discussions about the gap stakeholders are trying to close. What is the status of the issue in question, where is the trend headed, what direction and how much do stakeholders want it to change, and if there's a gap how can the initiative close it? Several initiatives have made good use of this type of gap analysis. The Urban Health Initiative developed a "denominator exercise" in which local participants determined the scope and scale of necessary changes and what resources were needed to make it happen. Making Connections applied a similar analysis to close the gap on children's education outcomes. Local teams mapped backward from the goal of having all children read at grade level by third grade to figure out what has to happen in early childhood to ensure that result. The W.K. Kellogg Foundation and the Amherst H. Wilder Foundation are among other foundations that have used evaluation to focus initiative participants on the practical process of "closing the gap."

Researcher Patti Patrizi outlines an intriguing, broader option that she calls "evaluative inquiry"[36] in a recent monograph. She proposes that foundations first shift their thinking…

- From evaluation as measurement to *evaluation as inquiry*
- From evaluation as a specialist's responsibility to *evaluation as a leader's responsibility*
- From evaluation as a discrete, outsourced function to *evaluation as an ongoing, collective responsibility*
- From evaluation at the final stage of grantmaking to *evaluation at every stage of grantmaking*
- From evaluation on the margins to *evaluation at the center of everything we do*
- From evaluation as "the right answers" to *evaluation as "the right questions"*

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[34] See, for example, Bruce Hoppe's work to apply social network analysis to accelerate business results (http://connectedness.blogspot.com).

[35] Guthrie, K., Louie, J., David, T., and Foster, C.C. (2005). "The Challenge of Assessing Advocacy: Strategies for a Prospective Approach to Evaluating Policy Change and Advocacy." Los Angeles: The California Endowment.

[36] Patrizi, P. (2006). "The Evaluation Conversation: A Path to Impact for Foundation Boards and Executives. Using Inquiry to Bring Evaluation to the Center of the Foundation Enterprise." Philadelphia: Patrizi Associates. Also available at www.foundationcenter.org/grantmakers/practice_matters.

...and then focus on seven "dynamic dimensions of foundation strategy": (1) Problem (understanding the community's need); (2) Purpose (clarifying the desired change); (3) Pathway (taking a bet on the best means of achieving desired change based on evidence and experience); (4) Practice (acknowledging what we know, what we don't know, and how we might learn more); (5) Progress (maintaining regular, systematic, and timely attention on what is being achieved); (6) Proof (identifying evidence needed to make decisions, and then using it); and (7) Promulgation (sharing with stakeholders what we've done and the difference and discoveries we've made).

The model Patrizi suggests would have helped Hewlett frame NII's evaluation as a way for everyone to become more strategic and capable, as well as a tool for assessing results. Evaluation for program improvement also positions the evaluators as active learning partners rather than auditors.

One place to start implementing evaluation in this way is by having a candid discussion among foundation trustees, staff, evaluators, and grantees about what kinds of information would be most likely to improve the work along the way, who should be responsible for collecting which elements of that information, and what resources are needed to do so.[37] Basing an evaluation strategy on the different parties' needs for information, realistic expectations about the demands of data collection and reporting, and a shared commitment to using the information to modify practice goes a long way toward creating informed, active participants in the learning process.

> **Consider a phased approach to evaluation, linked to phases in the initiative's own evolution and the iterative process of learning while doing.**

Early in an initiative, when strategies may be implicit or still evolving, it is especially difficult to measure progress toward outcomes. The path taken during the "meandering" stage is both formative and informative, but it may not merit the exhaustive level of description that a full-blown intervention strategy requires. "Perhaps foundations [should contract] for a smaller dose of evaluation during the meandering phase and add doses as clarity emerges," a Hewlett staff member suggests, "[but] how do you contract for such a responsive, flexible evaluation over the life of a long initiative?" The Casey Foundation addressed that question in Making Connections by having a multi-faceted evaluation. Some facets (such as a baseline survey) were implemented immediately, while others (such as a process evaluation) were delayed until the work was well underway in the neighborhoods.

A phased approach to evaluation also supports the iterative process of learning while doing. Most community change participants can't specify target outcomes very well at first because they don't know yet what it will take to produce change. (Thus, for example, the director of CCRP, which explicitly promoted learning while doing, tended to talk about "areas in which we hope to see change" rather than about specific outcomes to be achieved.) It often is useful to start out with learning experiences structured around initial actions, such as seed grants for very specific projects that lay the groundwork for more ambitious work down the road. It is very important to link these early successes to the initiative's broader vision for change so the evaluation helps to refine and deepen the theory of change, build capacity for strategic thinking, and define the indicators of long-term success—a step that, unfortunately, often gets missed.

> **Tap residents' indigenous knowledge while also sharing good ideas gleaned from other communities and initiatives.**

The value of local knowledge versus proven models often gets debated around the extremes, whereas NII demonstrates that both have a role to play in shaping community change initiatives. Board members in Mayfair, for example, benefited from participating in some national meetings and learning about

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[37] David, T. (2006) "Evaluation and Foundations: Can We Have an Honest Conversation?" The Nonprofit Quarterly, 13, (1).

effective practice in other communities at the same time that one of Mayfair's most successful approaches—the use of promotores—emerged from local knowledge and culture. Hewlett provided resources for its partners to visit and learn from other communities, but it wisely did not impose their approaches.

Even so, the degree to which foundations and local groups can introduce new ideas to each other and debate their merits depends to a great extent on the amount of respect and trust in their relationship, as well as the extent of resident engagement and ownership. Participation in a community-wide planning process, while important, is not enough to elicit the full scope of knowledge and skill that residents can contribute. As community-organizing efforts have shown, it takes sustained effort, explicit strategies, and opportunities to develop and exercise leadership to fully tap the resources that residents possess.

Ensure that foundation staff, as well as grantees, understand the requirements and limitations of evaluation.

Contemporary initiatives generally recognize that nonprofits need some amount of technical support to define, measure, and report progress. They are less certain, however, to recognize gaps in foundation staff's own knowledge of what evaluations can and can't do and what it takes to evaluate a complex initiative well. The consequence, as Hewlett learned, can be protracted and debilitating tensions among the funder, the evaluator, and community participants.

Foundation staff don't need to be evaluation experts, but they do need to become familiar enough with the field of community change evaluation to be able to ask good questions, set realistic expectations, and make informed decisions. The field has matured considerably since NII began, and many good resources are available to offer guidance.[38]

Be realistic about what can be done to capture effects, given the nature of community change and the available time and resources.

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[38] See, for example:

- Bailey, T., Jordan, A., and Fiester, L. (2006). "Imagine, Act, Believe: A Framework for Learning and Results in Community Change Initiatives." Baltimore: The Annie E. Casey Foundation.
- Woodwell, W.H. (2005). *Evaluation as a Pathway to Learning.* Washington, DC: Grantmakers for Effective Organizations.
- Bartczak, L. (2005). *A Funder's Guide to Organizational Assessment: Tools, Processes, and Their use in Building Capacity.* Washington, DC: Grantmakers for Effective Organizations.
- "Making Measures Work for You: Outcomes and Evaluation," "Learning Together: Collaborative Inquiry Among Grant Makers," and "Getting Inside the Story: Ethnographic Approaches to Evaluation." Publications of GrantCraft, a project of the Ford Foundation. Available online at www.grantcraft.org.
- Guthrie, K., and Preston, A. (2005). "Building Capacity While Assessing It: Three Foundations' Experiences Using the McKinsey Capacity Assessment Grid." San Francisco: Blueprint Research and Design, Inc.
- Chin, J. (2006). "The Power of Learning: Funders and Grantees Getting Smarter Together." Available online at http://blueprintrd.com/pubsdl.htm.
- Hamilton, R., Brown, P., Chaskin, R., Fiester, L., Richman, H., Sojourner, A., and Weber, J. (2006). "Learning for Community Change: Core Components of Foundations that Learn." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.
- *The W. K. Kellogg Foundation Evaluation Handbook* (1998), available online at http://www.wkkf.org/pubs/Tools/Evaluation/Pub770.pdf#search=%22foundation%20evaluation%20handbook%22.
- Connell, J.P., Kubisch, A.C., Schorr, L.B., and Weiss, C.H., eds. (1995) *New Approaches to Evaluating Community Initiatives Volume 1: Concepts, Methods, and Contexts.* New York: The Aspen Institute.
- Fulbright-Anderson, K., Kubisch, A.C., and Connell, J.P. (1998). *New Approaches to Evaluating Community Initiatives Volume 2: Theory, Measurement, and Analysis.* New York: The Aspen Institute.

After nearly two decades of dealing with "the attribution problem" in community change initiatives, we know that it is impossible to isolate a foundation's specific contribution to community change. Foundations never act in a vacuum and never are single-handedly responsible for change. Although this fact seems obvious, it often needs to be emphasized at the outset so that everyone has (a) the same expectations for what evaluation will and won't be able to say about the foundation's impact and (b) a sense of how evaluation can help to assess the initiative's value even when it cannot provide unambiguous proof of impact or the extent of the foundation's contribution to that impact.

Model the learning process at all levels, holding everyone to the same standards for clarity on outcomes.

A community change initiative involves lots of players, each with its own potential contribution to the initiative's success. These contributions need to be understood and assessed in order to evaluate the initiative's overall success. Rarely, however, do sponsoring foundations hold themselves to the same standard of clarity on outcomes that they require of grantees or partners. The target outcomes don't have to be the same for both parties—just the level of clarity. For instance, have foundation staff specified their own desired results, strategies for achieving them, and indicators of progress for the initiative? Can the foundation be as transparent in tracking its own contribution to the initiative's success as it would like its partners to be? Ignoring the contribution of any significant party—including the sponsoring foundation—necessarily limits the knowledge that an initiative can generate and undermines the collegial dynamic that fosters learning.

Promote learning across sites and among partners.

Cognizant of the challenges to cross-site learning, foundations have begun to infuse their work with new structures and tools ranging from peer learning partnerships and learning clusters to e-groups, study circles, and site exchanges.[39] Well-facilitated, carefully designed convenings, retreats, or other opportunities for reflection among key players can surface early successes and emergent obstacles. Qualitative research conducted by ethnographers, diarists, or other professional observers—or by participants in the initiatives—can capture issues and achievements in real time. It isn't easy for foundations to link effective learning vehicles to an initiative's theory and goals for community change, but doing so is likely to benefit all parties involved.

Most foundations have found, as Hewlett did, that (a) it's hard to promote cross-site learning when sites have very different needs, strengths, contexts, and approaches from each other; (b) it requires highly skilled facilitation; and (c) key people from the sites often resist participating, at first, because they don't want to take time away from doing the work. Nonetheless, several foundations have concluded that if they put an adequate learning system in place and stick with it, the effort to foster cross-site learning pays off. Examples include:

- Learning Cohorts—groups of grantees who share their knowledge and solve common problems (Robert Wood Johnson Foundation)

- Learning Clusters—groups of grantees and non-grantees that meet quarterly, organized around a theme of work or a program area (Barr Foundation)

- Annual Learning Institutes combined with Learning Clusters—opportunities for teams of collaborators from the sites to come together (The Duke Endowment's Program for the Rural Carolinas)

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[39] Hamilton, R., Brown, P., Chaskin, R., Fiester, L., Richman, H., Sojourner, A., and Weber, J. (2006). "Learning for Community Change: Core Components of Foundations that Learn." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.

- Cross-site Learning Exchanges—periodic convenings organized around topics chosen by local partners and the Foundation, to learn about issues and strategies relevant to the developmental stage of the initiative (Annie E. Casey Foundation's Making Connections Initiative)

Cultivate a flexible learning stance.

All partners share responsibility for learning, but the sponsoring foundation usually sets the tone for an initiative's learning culture. That culture starts with foundation leaders who value candor, are willing to be fallible, accept others' honest mistakes, and support internal structures for improving knowledge and practice. Such a stance, combined with patience, humility, and a curious attitude, can go a long way toward establishing an initiative-wide culture and relationships that support mutual reflection and allow the parties to make collective adjustments as they learn.

Flexibility is especially crucial to a learning stance. This means that funders and evaluators need to be comfortable with the formative nature of the work. If the evaluation isn't yielding the needed information, the evaluation design and/or methods need adjustment. If the intended outcomes prove to be out of reach within the initiative's timeline, interim measures need to be identified and measured. And if whole dimensions of the initiative's theory of change appear unsubstantiated on the basis of evidence from implementation, new theories that incorporate this evidence need to be developed.

Put mechanisms in place to explicitly support learning.

The structures and processes that make learning possible include: evaluation and other information collection; an external advisory committee for evaluation and learning (described above); technical assistance on collecting, interpreting, and using data from evaluation and other sources; documentation of what is happening—especially of the choices and trade-offs being made, and their consequences—in real time; processes for reporting on progress and challenges, reviewing them, and solving problems collectively; and time for relationship- and trust-building.

Such mechanisms help to keep learning on the agenda (and in the schedule) when other demands compete for time, money, and attention. They also give learners a framework for taking the risks associated with learning. People often become nervous when asked to talk publicly about what they have and haven't achieved—especially if the results are less than anticipated, resources are too slim to be wasted, or the discussion reveals a shortcoming. People involved with initiatives in struggling communities may feel especially vulnerable when acknowledging mistakes; they often have made great personal sacrifices for their work, or they may base their identity, in part, on "making a difference." In that context, an interviewee noted, the mere questions "*What do you plan to do, what do you hope to achieve, and how will you know when you've achieved it?*" produce angst.

— 5 —
SUPPORTING CHANGE:
SUFFICIENT AND APPROPRIATE RESOURCES

We turn to the issue of resources last because it affects each of the three core activities already discussed—framing, managing, and measuring change in a long-term community change initiative. Without the right supports applied in sufficient amounts, even a well-framed, effectively managed, and accurately measured initiative may fail. Conversely, with appropriate and sufficient resources it may be possible to overcome some flaws in design and implementation as an initiative unfolds.

The resources most people think of as essential supports for foundation initiatives include time; money; human effort, knowledge, and commitment; and technical assistance. NII's experience helps us look within those broad categories to learn more about what resources a long-term community change initiative needs and how those resources should be applied.

KEY RESOURCE 1:
A LONG TIMEFRAME FOR CHANGE

The Hewlett Foundation's timeframe for NII (one year of planning and six of implementation per site; a total of 10 years from beginning to end of the Foundation's grant making) was generous for its day. The longest-running privately funded initiatives of the 1990s lasted five to seven years. CCI practitioners and researchers urged funders to give them enough time to achieve and measure results, and Hewlett heeded their argument. Moreover, Hewlett included in its timeframe a year-long planning phase for each site, which reinforced the sense that complex, meaningful change doesn't occur quickly.

In theory, Hewlett's long-term commitment gave local partners leeway to tackle recalcitrant issues, such as poverty and social isolation; to build the relationships and capacities needed with, and within, communities before taking action; to involve people and organizations that had never participated in this type of work before; and to get back on track if an experimental strategy didn't pan out. That might have been the reality for NII, too, except for two circumstances. First, from the sites' perspective—especially in East Palo Alto, which was the last neighborhood to enter NII—the shift to an outcomes framework disrupted the work so thoroughly that participants felt they were essentially starting anew.

Second, although in theory each site had a year to plan the work before implementing it, none of the sites was ready to begin when its planning period ended. The foundation's budget cycle required sites to submit their proposed plans three months before the end of the year, which shortened the planning period. CFSV (Mayfair) needed time to staff up; West Oakland required six months of preliminary groundwork before collaborators could hold their first community meeting; and in East Palo Alto, it took extra time for Hewlett and PCF to negotiate their partnership.

Our interviews surfaced the following insights about timeframes:

- **Funders tend to set their initiatives' start and end dates arbitrarily, dictated by internal schedules and priorities.** If the resulting timeframe doesn't allow enough time to get the work off the ground, it may not be worth launching the initiative.

- **Initiative funders, managers, and implementers need to agree on a reasonable expectation for how long it will take to do the work.** The negotiation has to take into account that community change is very process-oriented—that is, it involves sharing new ideas, establishing new relationships, developing new capacities, and testing new strategies—and processes take time to reach fruition. Furthermore, the negotiation isn't just about the total amount of time to be invested; it's also about what sequence or staging of activities, resources, etc. will be the most useful and best aligned with the initiative's goals. Relationship building, community engagement, and leadership development may need the most attention and resources at the beginning of an initiative, for instance, but data collection and analysis, and the resources they require, may become increasingly important as the work matures.[40]

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[40] See, for example, Fiester, L. (Forthcoming). "Making Connections at Midpoint, Vol. I: Early Choices, Lessons, and Results." Baltimore: Annie E. Casey Foundation.

- **The timeframe should ensure sufficient time for new ideas and behaviors to take hold and for participants to ride out the rough spots, without making such a long commitment that it removes the immediate pressure to get results.** This is a delicate balance to achieve, and it underscores the fact that simply making a resource available to an initiative will not automatically guarantee success. The resource has to be accompanied by a strategy, and participants have to hold themselves accountable for using the resource according to the strategy.

- **Talking explicitly and repeatedly with participants about the rationale and strategy for the timeframe may help to keep expectations in line with reality.** Managing expectations is one of the toughest challenges for any ambitious initiative, and (as NII's experience demonstrates) when expectations conflict with each other and/or reality, it's easy for the work to unravel. NII's developers say they explained the need for a long commitment thoroughly to the trustees who were in place when NII began, but subsequent changes in board membership diluted their understanding.

- **The transition from one phase of the initiative to the next (e.g., from planning to implementation) should be determined by whether the site has reached essential milestones rather than by arbitrary timelines**. Some foundations find it useful to let a site's performance determine the pace of community change. This approach requires clarity on how performance will be assessed, and it presents administrative challenges for a foundation that might prefer to handle all communities in a multi-site initiative as a cohort. By creating a funding mechanism triggered by performance rather than length of time, however, the sponsoring foundation signals respect for the inherent differences among sites and places responsibility for keeping pace largely with the people doing the work on the ground.

- **Within a timeframe, the sequencing of activities is important.** NII and many other community change initiatives (most recently, Making Connections) have demonstrated the importance of focusing first on building strong relationships and addressing issues of race, class, culture, and power. Once the relationships exist, participants can use them to achieve practical, specific projects that represent short-term wins. Those "micro-successes," as the Casey Foundation calls them, can ultimately add up to bigger achievements.

- **A long timeframe alone won't always get to the right results.** If the initiative is struggling too hard, for too long, on too many levels—if essential milestones are unreachable and relationships irreparable with the amount of time and money available—it may be time to end the initiative, change grantees, or adjust the amount of funding (up or down). Each foundation has a unique set of factors to consider when contemplating whether to cut losses and end an initiative, including its broad organizational priorities, alternative options for using the money, and whether the funders' long-term credibility can weather negative publicity in the short term.

KEY RESOURCE 2:
AN ADEQUATE AMOUNT OF MONEY, DISBURSED STRATEGICALLY

No matter how they feel about other matters, NII's partners, participants, and observers praise Hewlett for the amount of money it committed to the initiative—about $15 million over 10 years—and for continuing to fund the effort generously despite the challenges that arose. Clearly, money is an essential resource. And, just as clearly, ambitious goals such as poverty reduction and long-term community improvement require a lot of money. But NII also illustrates two important facts about funding community change: (1) even a generous amount of money may be insufficient to meet ambitious goals; and (2) how one positions financial resources in the initiative, and how one disburses them, are almost as important as how much money one has.

Hewlett committed $750,000 per year to each site's managing partner, of which a significant portion was regranted to projects in the sites.[41] Hewlett also expected the managing partners to raise additional funds from their donors and other local sources. This funding strategy, similar to that of many multi-site foundation initiatives, has the advantage of making relatively large amounts of money available to sites with relatively few restrictions. It also has drawbacks, however, as NII collaborators learned:

- **Making the managing partner responsible for raising funds and residents responsible for spending them creates an inherent tension around money.** At times, community foundation staff resented the assumption that they would raise whatever amount of money local partners thought they needed. Many residents, meanwhile, never realized how hard it was to generate funds until the initiative drew to an end and the responsibility of sustaining the changes fell to them.

- **Leading with money distorts expectations for what the initiative will accomplish.** To foundation staff who are not involved in the day-to-day, incremental, and labor-intensive work of community change, $750,000 annually seems like a great deal of money. The need to justify that amount of funding within the sponsoring foundation can prompt initiative leaders to be overly optimistic about what they think the money will accomplish.

  Within poor neighborhoods, meanwhile, sudden wealth can disrupt power dynamics and cause conflicts among residents as they assume authority for local grant making. "For people who don't work in the philanthropic sector or haven't had experience with large sums of money, the perception of what $2,000 will buy is distorted," a managing partner told us. "In their experience, [it] may sound like a fortune. In hindsight, we needed more time to explore the issues around money and to educate residents [about] who got how much and what the grant money could realistically buy."

- **Leading with money can create local expectations that (a) every site will get the same amount of money regardless of their need and their performance, and (b) every site will receive its allotted money whether or not people are ready to spend it well.** This can produce various results, none of them particularly good: a need to manage the "feeding frenzy"; dependence on the funder; pressure to spend money before other capacities and supports are in place; a sense of entitlement rather than a focus on results; and wasted resources.

  At the same time, money is an important signal that the foundation is committed to a community. One person associated with NII's launch told us it would have seemed "arrogant" to say to residents and leaders of local organizations, "we want to do an initiative here but there won't be any money in the beginning; once you come up with an idea, we'll think about whether to fund it."

- **It is possible to overwhelm a site with resources before people and organizations are ready to use the resources effectively..** Even though the need for resources in poor communities exceeds the amount any foundation can spend, it is possible to shower a neighborhood with more money than partners can absorb productively within the allotted timeframe. At various times, for example, both Mayfair and East Palo Alto faced the bizarre situation of not being able to spend all of their Hewlett money because they didn't have the necessary systems, people, and spending strategies in place.

- **Resident involvement brings the community's preexisting power dynamics to the surface.** It can be a challenge to sort out the grant applicants who have an axe to grind from "true" neighborhood leaders, especially during the early stages of an initiative. But the choices made about how to organize and engage residents will determine whether resources go to gatekeepers—

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[41] The exception was East Palo Alto, where grant making amounted to $1.4 million in 2004, $1.6 million in 2005, and $1.7 million in 2006.

individuals and organizations who may or may not represent the neighborhood's best interests—or to democratic processes that ensure all voices are heard.

- **Big money often is necessary to produce big results, but it comes with tradeoffs.** It can get bottlenecked in a single grantee that doesn't yet have the capacity to spend effectively; and it can distract partners from substantive issues. Some interviewees blame the amount of money involved in NII for focusing the Hewlett/managing-partner relationship on fiscal matters, especially budget approvals and grant making, rather than on refining NII's framework or learning from implementation. The feeding frenzy "is not as intense at the foundation/ intermediary level but it still operates," observes a managing partner source. "I would never start an initiative that has these kinds of goals with a big pot of money on the table. It dramatically skews the issues, exacerbates conflicts, and creates unnecessary tensions." This phenomenon makes it important to accompany money with structures, strategies (such as system for making mini-grants), and relationships that ensure the money is used well.

- **Foundations' grant cycles aren't aligned with the pace of neighborhood development, and the pressure to meld the two can undermine choices.** In a large-scale, multi-pronged initiative, foundation staff often feel they have to move money quickly or lose the ability to spend it within the current budget cycle. That was certainly the case for the Hewlett staff involved with NII. When crises arose, local capacities came up short, or proposed projects failed to meet Hewlett's criteria, they faced a dilemma: Should they intervene and unilaterally select local grant recipients (or help local partners rewrite their proposals), just to keep money flowing into these very needy communities—or should they cut off the spigot until local players were ready to make the decisions themselves? If they chose the first option, they might waste some resources and/or aggravate the "too much too soon" problem we noted in Chapter 2. If they chose the second, they might starve the very process of learning and skill-building they are trying to nurture.

- **Leveraged funds aren't always what they seem to be.** In most cases, the money that people claim to have leveraged really represents co-funding or simultaneous investment by another funder who was already working in the area. Or it may be money reallocated from one project to another or diverted from a different neighborhood. Both types of funding are good; they indicate that the community change effort is able to attract multiple funders and that the funders are able to work across turf boundaries. But it is important to recognize that a net gain for one community/project may be a loss for another if the funder has simply reallocated the same amount of money to a new use. Furthermore, a neighborhood initiative that attracts money from many private sources may cause local policy makers to shift their dollars to other, poorer neighborhoods—making it even harder to support the work at a sustainable level.

An alternative funding model, which involved giving smaller "seed grants" to stimulate community interest and build capacity to manage larger grants, was emerging at about the time NII began through the **Comprehensive Community Revitalization Program.** CCRP (1991-98) was created by the Surdna Foundation to "turn neighborhoods into fully engaged and functional communities with [community development corporations] serving as organizers, facilitators, and implementers of integrated strategies."[42] Although CCRP acquired a cadre of about 20 funders, it never had the level of resources committed to NII. Nonetheless, CCRP demonstrated that a small amount of money, distributed incrementally and with few restrictions, could produce significant results.

Core elements of CCRP's approach included (1) funding for at least two full-time, dedicated program staff based at each CDC to keep the work moving forward; (2) the provision of "first-in money" to demonstrate confidence in new projects and reduce the risk for other funders; and (3) permission to use

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[42] http://www.commbuild.org/html_pages/ccrpfinal.html.]

much of the money (about 67%) "flexibly, quickly, and non-bureaucratically."[43] Above all, CCRP didn't lead with money. The initiative provided seed money and interim support, when and as opportunities arose, and it thus avoided some of the pitfalls outlined above.

A few years later, **Casey** adopted a similar approach for Making Connections. Casey allows local implementers to draw from a pool of flexible, quickly accessed funds for certain activities, while the Foundation covers the costs of evaluation, some technical assistance, and local data collaboratives directly. (Casey was so cognizant of the distorting properties of money that it also defined one of Making Connections' early principles as, "Lead with ideas, not money.")

The **Levi Strauss Foundation,** meanwhile, has established an endowment for its work in San Francisco's Mission District. This strategy gives community players more time to develop capacity for strategic decision-making before having to exercise that ability. It also allows for more sustainability and coordination of funding from various sources.

KEY RESOURCE 3:
HUMAN EFFORT, KNOWLEDGE, AND COMMITMENT

It takes intense effort, sustained commitment, and an evolving knowledge of "what works" to change the way people think, act, and experience life. NII's experience suggests the following points about these essential human resources:

- **Community change is labor-intensive work, both in terms of the number of people needed to do the work and the level of effort required from each participant.** How much time the staff of the sponsoring and community foundations must commit depends on how the foundations define their roles. Hewlett staff—either by choice or because they didn't define their role clearly—played a more hands-on role in NII sites than they anticipated, even though the Foundation didn't have the mission or capacities of an operating foundation. Consequently, Hewlett staff were stretched thinly to cover all of their NII responsibilities. Community foundation staff also say the initiative took more of their time and energy than anticipated. As underscored in Chapter 3, by getting clear about mutual roles and accountabilities at the outset of an initiative, foundations and their partners can decide together what staff are needed in each organization to support the initiative.

- **Support and involvement from top-level foundation leaders (executives, program managers, and board members) are crucial for long-term initiatives.** Staff turnover and fatigue on the ground can easily nudge an initiative off course unless the folks at the top see the work as a priority. As a community foundation representative observed about both NII's sponsor and the managing partner, "The higher-up people need to know the incredible reach and breadth that this kind of initiative has in the community [and] its potential, both good and bad. There are so many opportunities to drift [that the work] needs to be kept at the top of the pile of foundation activities, even if the [amount of] money is not so big."

- **Community foundation donors can be an important resource for community change.** The more community foundations are involved as genuine partners rather than simply as fiscal agents, the more opportunities there are to engage donors. Community foundations vary in terms of the proportion of their funds that are discretionary versus donor-advised. The Peninsula Community

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[43]Spilka, G., and Burns, T. (March 1998). "The Comprehensive Community Revitalization Program in the South Bronx: Final Assessment Report." Philadelphia: The OMG Center for Collaborative Learning. Retrieved from http://www.commbuild.org/html_pages/ccrpfinal.html.

Foundation, for example, had limited discretionary funds but, through an extensive donor education effort, raised considerable money for NII from its donors and thus was able to keep supporting community change in East Palo Alto even after PCF withdrew from its managing partner role. Donors also can provide expertise and advice, access to relevant networks, and behind-the-scenes work as movers and shakers who can help get things done in the larger environment.

- **National and community foundations' institutional assets can be harnessed for community change**. In order to promote NII's goals, both Hewlett and its managing partners assumed strategic roles beyond grant making, such as convener, coach, and technical assistance provider. Recent studies of "embedded" funders underscore the value of those resources, suggesting that foundations can increase their effectiveness through various forms of financial investment as well as non-financial roles that add political and civic legitimacy to the community-change effort and encourage broad participation and support.[44] Community foundation staff and trustees are especially well positioned to mobilize their long-term, dynamic relationships with community actors in this way.

Another way to think about human resources is in terms of the specific skills, knowledge, and qualities possessed by the people and organizations involved in an initiative. We know something about the skills and attributes needed by other people working on the front lines of community initiatives. **All partners** need: humility, demonstrated by a desire to learn about local context and a respect for people, place, cultures, and history; curiosity, a sense of inquiry, and the desire to learn; the ability to learn quickly in new situations and to incorporate lessons learned from past experiences; flexibility, demonstrated by the ability to consider nontraditional strategies, a willingness to adjust methods if necessary, and the courage to admit when something isn't working; and cultural competence.

NII also highlights the need for specific stakeholders to have certain other characteristics. **Evaluators**, for example, need:

- Clarity about who the client is and what the purpose of the evaluation is
- Comprehension of the initiative's theory and strategies
- A focus on learning, not just on measuring
- Ability to demystify the evaluation process and to translate complex technical terms into everyday language
- Creativity in helping people learn from each other in real time
- Understanding of what participants already know, what they want to learn, and what they need to know but might not be aware of
- Commitment to building feedback loops and reflection into the fabric of the evaluation

Staff of the sponsoring foundation need:
- Clarity about the theory of change
- Inclination to partner with grantees
- Prior experience with on-the-ground community change
- Diplomacy in public, extreme candor in private
- Strategic thinking, including the ability to find and foster it where it isn't immediately apparent
- Ability to read the political dynamics in a community

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[44] Sojourner, A., Brown, P., Chaskin, R., Hamilton, R., Fiester, L. and Richman, H. (2004) "Moving Forward While Staying in Place: Embedded Funders and Community Change"; and Brown, P., Chaskin, R., Richman H., and Weber, J. (2006) "Embedded Funders and Community Change: Profiles." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.

Staff of the intermediary organization need:

- Understanding of evaluation and of community outcomes
- Strategic approach to grant making
- Understanding of how to negotiate with government entities, beyond the realm of funding (e.g., the ability to cut through red tape)
- Ability to work in a highly political environment
- A sense of how complex and complicated community change is
- Ability to organize and facilitate technical assistance
- Ability to see the big picture while also managing details

Neighborhood residents need the ability to get information to fill knowledge gaps, to generate respect across and within diverse racial/ethnic groups in the neighborhood, and to serve as a bridge builder or ambassador of the work within the neighborhood. **Technical assistance providers** need awareness of the big picture and how each piece of technical assistance fits in and a desire to work in partnership with local participants.

KEY RESOURCE 4:
TECHNICAL ASSISTANCE

It is noteworthy and commendable that Hewlett recognized, from the beginning of NII, that training and technical assistance would be an essential part of the initiative—even if NII's designers did not fully anticipate the depth and scope of the need for TA. At first, the managing partners hired TA providers from community-based organizations, national consulting firms, and university-based research centers, as well as independent consultants, while Hewlett arranged additional TA as needs arose. In 2002, Hewlett centralized TA and brought it under the Foundation's management to improve its quality and to streamline delivery.

Regardless of who was arranging it, the technical assistance provided through NII encountered issues about providers, content, local ownership, and coordination that other multi-site, place-based, community change initiatives share. NII's experience with TA also illustrates the overarching question of how funders can help grantees and collaborators develop capacity, especially for strategic thinking and action.

TA AS A MEANS FOR BUILDING CAPACITY

The issue of capacity is relevant to community change initiatives in three respects: because the presence or absence of specific capacities affects the trajectory of work within sites; because the assumptions about local capacity made by initiative designers affect the initiative's structure, strategies, and relationships; and because the desire to build new capacities or strengthen existing ones affects decisions about what technical assistance to provide and how to provide it.

NII partners and participants give Hewlett a great deal of credit for aiming to build capacity in the neighborhoods rather than simply trying to "fix" them. Indeed, two of NII's six goals involved capacity building (of community-based organizations and of community foundations). Mayfair and East Palo Alto both offer examples of capacities created and incubated by NII, such as Nuestra Casa, an organization in East Palo that helped Spanish-speaking parents understand and participate in their children's school experience; and MII, which grew into a credible neighborhood organization that helped other organizations improve and brokered partnerships within and outside the neighborhood.

However, NII leaders also misread capacity needs in some crucial ways, beginning with the capacities of community foundations (see Chapter 3). Nor did Hewlett and the managing partners express a clear sense of what capacities local implementers should have, which meant that NII's goals and expectations didn't always align with local realities. And the issue of capacity butted up against concerns about

resident autonomy. Tensions arose during the early years in East Palo Alto, for instance, when OEPA's resident-led working groups chose grant recipients and projects that the managing partner deemed weak. When community foundation staff, concerned about their accountability for Hewlett funds, overrode the residents' choices, community members charged PCF with reneging on the promise that NII was "the People's Initiative."

Those experiences support several observations about TA's role in capacity building, outlined at the end of this chapter.

SELECTION OF TA PROVIDERS

At first, NII inundated sites with technical assistance providers. During NII's first several years, technical assistance got ahead of itself; there simply was too much expertise, provided by too many people, too fast for the people who needed to formulate strategies on-site to absorb. "There was an idea that if you just threw in more experts, things would get better," one interviewee recalled. In 2002-03, for instance, the local intermediary in East Palo Alto—which had a total of four staff—had the National Community Development Institute, the Haas Center for Public Service, LISC, Center for Justice, Tolerance, and Community, and JMPT all providing assistance. The experts all vied for the attention and endorsement of intermediary leaders; they all believed they were the community's real champions; and they all answered to different institutions and bosses. During the last three years of the initiative, Hewlett reduced the number of TA providers and assigned them distinct roles, which improved the situation.

NII's university-based TA partners get mixed reviews. A review by Julia Parzen[45] describes the many ways that university-community partnerships added value to NII, such as producing data that helped to frame community strengths and needs in very concrete terms. NII's program staff used the Haas Center's data analyses, for example, when writing internal reports about the strategies put forth by local intermediaries. CJTC also provided solid, compelling regional data. But the university partners were not well-positioned "to dig in with the intermediaries and help them figure out how to apply the strategies in a hands-on way," a Hewlett staff member says. It takes experience and some very explicit skills to work productively in low-income communities (see pp. 48-49), and the graduate students and junior staff whom universities often assign to do this work do not necessarily have those capacities.

TA CONTENT

The NII model did not specify an overarching framework or strategy, so it was impossible to develop a standard menu of technical assistance for all sites. Instead, NII was guided by implicit assumptions that (a) residents and new intermediary organizations could ask for the help they needed in an organized way and (b) NII's technical assistance consultants would know how to assess their needs for help and recommend TA strategies to Hewlett. Both assumptions proved false during the first half of the initiative.

During the second half Hewlett worked to improve TA, especially by reducing the cadre of contractors to a select, experienced corps and clearly defining their roles. Foundation staff recall that local partners, evaluators, and TA providers found this second phase of TA adequate and effective. Our interviews with members of those same stakeholder groups suggest that NII's technical assistance did improve but still could not build all of the capacities needed to ensure locally sustained positive changes. For example, many of the NII intermediaries' board members and staff were taking on administrative and governance

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[45] Parzen, J. (2002). "University Partnerships with Community Change Initiatives: Lessons Learned from the Technical Assistance Partnerships of the William and Flora Hewlett Foundation's Neighborhood Improvement Initiative." Available online at www.Hewlett.org.

responsibilities for the first time, but NII's planners and leaders did not anticipate their need for very basic knowledge. Recalls a foundation representative:

> *I was very clear with [the intermediary] about things like our expectations for an upcoming planning report, but I didn't anticipate the need to be clearer about what they would need to do and figure out ahead of time to write that report—[to explain that they needed] to have talked to their board and constituents about what they wanted, to have systems in place for how they would spend the money, etc.*

During the later phase of technical assistance, TA's benefits were more likely to be limited by the intermediary organization's internal challenge of both trying to grow roots and establish momentum at the same time as needing to prepare for the end of Hewlett funding.

LOCAL OWNERSHIP OF TA

Effective technical assistance is *both* responsive to local demand and strategically directed.
Community organizations want responsibility for pursuing their TA needs, but local partners cannot be expected to gauge all of their own knowledge needs accurately. Therefore, sites need technical assistance for the issues that community members "own" *and* on the models, strategies, and practices that initiative directors know to be important. NII never found a comfortable balance between selecting TA providers for sites based on what Hewlett perceived as the capacity needs, and allowing people onsite to manage their own assistance. (The same issue surfaced in Casey's Making Connections initiative, which began with a help desk format that fielded sites' TA requests but then moved to a combination of site-generated peer learning exchanges and Foundation-designated convenings on topics that initiative managers deem important.)

> **"The central [TA] issue was about power and who represents the community."**
> —Hewlett representative

COHERENCE AND COORDINATION OF TA

NII quickly encountered a challenge that is best described as **too many cooks in the kitchen, working without a menu.** The concept of assisting sites on many topics, through many types of providers, was a good one but it faltered in execution. The biggest stumbling block lay in bringing the disparate pieces together coherently without a strong strategic framework for the initiative itself. Observers of NII who are familiar with the TA component of other CCIs find the lack of coordination a familiar theme. Casey's Rebuilding Communities Initiative, for example, eventually found a systematic way to connect TA to its theory of change, but in the early days there was a sense in sites that TA providers "were dropping out of the sky and nobody knew why they were there...People were brought in to fix things or build capacity for a specific activity with no sense of how it all fit together. There was no one directing the traffic."

For NII, there were other challenges, too. Sites felt pressured to use the TA providers whether or not they recognized a need for the services being provided; and the differences in concepts and techniques recommended by different TA providers confused TA recipients. Eventually, concerned about the quality and alignment of services across sites, Hewlett designated one of its own staff members to manage and coordinate TA across all NII sites. In East Palo Alto, Hewlett also reduced the number of TA providers to two people focusing on strategic planning, leadership coaching, and resource development.

SELECTED OBSERVATIONS ABOUT RESOURCES

As with the observations made in Chapter 4, we caution readers that what follows is not a complete set of lessons for philanthropy. It is a short list of reflections on the resource issues most relevant to NII.

> ***The corollary to time is patience, and it takes plenty of both for community change efforts to show positive results.***

In many ways this work is a multi-generational endeavor, and it takes a willingness to stay the course for the duration.

> ***Lead with relationships, not money.***

There's no denying that money is extremely important for any effort to empower residents and strengthen neighborhoods. But money also has an overwhelming power in poor communities, and its presence affects the power dynamic between funders and local collaborators. Funders need to contain their power and make sure it isn't used arbitrarily, and an important way to ensure that is to take big pots of money off the table during the initiative's fragile, early years while the relationships that make change possible are still evolving.

> ***Be clear up front about non-negotiable expectations embedded in the provision of resources, and give community partners the opportunity to opt out.***

Partners, especially in the communities, need to feel free to exit the initiative if they think the price of participation is too high. If they don't, it is much harder to establish the level of trust, commitment, and partnership required for difficult community changes.

> ***It takes an innovative funding structure to promote a new way of doing business.***

In addition to leading with ideas and relationships rather than money, this means linking the amount of money a site receives to local capacity. Thus, for example, during the earliest stage of an initiative when local partners are developing the leadership and management skills needed to spend and oversee large funds, it make sense to give primarily small grants. By the time the local partners or intermediary have reached the height of their capacity, it makes sense to decrease the sponsoring foundation's financial contribution and increase the proportion that local partners raise on their own behalf.

Innovative funding may also mean creating the flexible spending pools and endowments described on p. 46. And it may also mean setting aside some funds that can be spent outside the dictates of the normal grant-making schedule—both more quickly and more slowly, in response to both immediate and developmental needs.

> ***Getting deeply involved in a community, even over a relatively short time, gives the funder inside knowledge that can pay off over the long term.***

Working in the NII neighborhoods gave Hewlett an opportunity for reconnaissance—a chance to get to know the players, institutions, change agents, racial/ethnic/political dynamics, etc. that affect how an initiative plays out. Ideally, such knowledge prepares the funder for future work in the community, even beyond the life of one initiative. That certainly is a lesson that Hewlett staff take from the NII experience. "NII tested out people and opportunities," explains an interviewee. "We learned where the resources are and what the levers [for change] are. For example, we're funding more work in East Palo Alto today that grew out of our NII partnership with the New Teacher's Center—partnerships we might not have forged otherwise because we would have seen the institutions as marginal."

The effort to work "comprehensively" in a community builds powerful alliances that cut across professional and cultural boundaries.

The term "comprehensive" often promises more than it can deliver, and so today we talk about community change initiatives rather than comprehensive community initiatives. But the idea of addressing multiple issues and nurturing multiple strengths in poor communities, rather than addressing a single issue, is as worthwhile and compelling as ever—and NII demonstrates this lesson well. In late 2006, two eighth-graders were shot and killed in East Palo Alto. Immediately, staff from the New Teacher's Center, parents, and police officers began working together to address the community crisis. "That would not have happened before NII or if [the initiative] had been sprinkled across a broader area," an observer notes. "It happened because people had gotten used to working together on a lot of other issues."

This type of labor-intensive work in communities may not be appropriate for foundations that are leanly staffed, unprepared for a hands-on role in sites, and/or unwilling to give management authority over to an intermediary.

It takes a core group of staff with dedicated time to make this kind of initiative work. If the sponsoring foundation can't provide the necessary human resources in-house or won't purchase them from another entity, the foundation probably shouldn't take on a community change initiative. That is not to say, however, that the foundation can't play a valuable role in helping to change specific aspects of a community through more discrete grants and programs.

Technical assistance that aims to build capacity rather than apply an external solution requires extra time, money, and patience.

TA that helps partners develop capacity involves:

- Incorporating and supporting tools for strategic thinking, learning, and planning—both existing tools and promising new ones. Examples include: pathway mapping; logic modeling; results-based accountability; scenario planning, which uses a charette-like process to survey the landscape of needs and resources and then walks participants through decisions and tradeoffs; development of success measures; resident involvement in data collection and analysis; and GIS-based tools for smart-growth community planning, which juxtapose the geographic distribution of assets and sub-populations. Our reviewers especially recommend pathway mapping because it is an iterative process, it infuses complicated community-change efforts with discipline, it encompasses both quantitative and qualitative measures of success, and it focuses on a shared vision not of *what* will happen but *how* it will happen.

- Developing data systems, methods, and skills for: tracking progress, capturing a variety of changes, analyzing and interpreting results, and explaining what changes are or aren't occurring (and why).

- Creating and facilitating "learning communities" among people with similar roles and responsibilities, so they can build on each other's skills.

Such TA can produce capacities that are extremely valuable—even essential—to long-term, sustained results. However, it also may require more resources than a funder can or will invest.

TA providers can come from outside the community they are hired to serve, but they can't be disconnected from realities in poor neighborhoods.

TA providers have to earn the confidence of local participants and be knowledgeable about local contexts; as an NII participant said, they have "to see, believe in, and use the community's talent."

The content of TA should combine topics and ideas generated by local participants with those that the funder, TA provider, and evaluator know to be important.

Most people can identify some of what they need to learn, but not everything. (Put another way, if they knew enough to know what they needed to know, they probably would already know that which they need to learn.) Waiting for local participants to ask for help on a specific topic, therefore, probably won't work if it is the only TA approach. At the same time, some people are more able to learn about topics they discover than about topics assigned by someone else. A combination of site-generated and foundation-designated TA, therefore, often works best.

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IMPLICATIONS FOR PHILANTHROPY

Like other community change initiatives of its era, the Neighborhood Improvement Initiative pursued bold ambitions despite serious limitations. Along the way, NII lifted up issues that are just as relevant today as they were a decade ago—issues involving the goals, conceptual framework, roles, relationships, connections, management practices, evaluation approach, and resources for community change efforts. We highlight those issues and some of their broadest lessons for foundations in chapters 1-5 of this report. Here, however, we are concerned with what NII's experience implies for philanthropic practice writ large, in communities but not necessarily in a community initiative. Indeed, one of NII's messages is that philanthropy might do better to shift from initiatives to long-term commitments to place, from circumscribed grantmaking relationships to more dynamic community partnerships.

NII's experience is not the only factor influencing philanthropic practices for community change, of course. The field has made many advances since 1994, when Hewlett Foundation staff began to design NII. People know more now about how communities function; they have incorporated theories of change and attention to results more thoroughly into their initiatives; new tools are available for evaluation and technical assistance; and providers are more sophisticated about helping local participants use the tools effectively. [46] Funders are more likely now than in the past to look for opportunities to build on existing community strengths and momentum rather than start something entirely new; to use their networks, credibility, and resources to stimulate new collaborations and forms of community investment; and to adapt their operating approach to fit the demands and possibilities for change on the ground.

In addition, some foundations have created vehicles for peer learning and exchange that give participants a chance to examine and apply each others' lessons, with the goal of developing a "community of practice." These vehicles run the gamut from written guides, such as the GrantCraft and Practice Matters series; to convenings, by such groups as Grantmakers for Effective Organizations, Neighborhood Funders Group, and the Evaluation Roundtable; to learning forums that serve a specific sector or interest in the philanthropic field. For example, the Aspen Roundtable on Community Change is facilitating a community of practice for foundations that support multi-site initiatives to reduce poverty and promote prosperity. Chapin Hall Center for Children is doing the same for a group of so-called "embedded funders" that support such initiatives in a deep and sustained way in their own backyards.

Today, therefore, there are many ways for people in philanthropy to think about and work on community change. But *community change*—that is, the development of neighborhood leaders, organizations, and networks so they can support residents and link them to resources and opportunities, inside and outside

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[46] Brown, P., Chaskin, R., Hamilton, R. and Richman, H. (2003). "Toward Greater Effectiveness in Community Change: Challenges and Responses for Philanthropy." Chicago: Chapin Hall Center for Children. Available online at www.chapinhall.org.

the community—isn't for every foundation. Funders who are contemplating such investments need to seriously consider what capacities they have to play which kinds of roles in the community change enterprise. Some will find the work too messy, politically charged, and/or hard to assess. It isn't a good fit for foundations that prefer short-term time horizons or orient toward short-term, return-on-investment strategies. Nor is community change comfortable work for foundations that need to demonstrate exactly how their funds bring about particular changes in the community.

What characteristics position a foundation to do this work well? Although the field's technical advances help, we believe that something simpler, more fundamental, and farther-reaching is needed to help philanthropies that want to engage in community change do it better. At the most basic level, we see two core competencies as necessary (though not sufficient) to do this work well:

- **The ability to establish productive relationships with the diverse people and organizations with which a foundation must work to achieve community change**; and

- **The ability to take a learning stance throughout the entire enterprise**.

Relationships, learning, and all that they entail are not new issues. Nor are they absent from the philanthropic landscape. Indeed, many foundations demonstrate these competencies in many different initiatives and areas of work. But somehow community change, perhaps because it is a long-term enterprise that challenges traditional power relations and lacks an easy blueprint for action, generates fewer success stories. We don't want to devalue the positive outcomes that community change initiatives produce: houses are built, services improved, new leaders developed, and residents empowered. Certainly, these initiatives have successfully demonstrated the importance and value of doing this work, even if it isn't possible to achieve population-level change. But if by success we mean the quality of the philanthropic enterprise—the strength of the ideas or theories, the degree to which the theories are implemented consistently and effectively over time, and the collective learning that is generated for the field—then the outcomes seem less positive.

Rather than focus on technical strategies (the mainstay of other lessons-learned documents and guides) to address these shortcomings, we emphasize the importance of changing foundations' attitude and stance. As we suggested earlier, philanthropic attitudes set the tone for all that happens; they can either create or close off opportunities. The foundations that seem most likely to create new knowledge are those that are willing to experiment, those that embrace the idea of learning while doing. This often means building the airplane while flying it. It means systematically trying to capture and analyze data while the work is underway, convert the information into knowledge, reflect on what one is doing, discuss what one is learning, and incorporate each other's good ideas into the mix. It means having theories, expectations, partnerships, and funding mechanisms that are flexible enough to allow in-course corrections. It means taking risks that may end up as mistakes. And it means remembering, as one respondent suggested, that the community change enterprise has at its core people—those in communities who are seeking a better life for themselves and their children, and those who want to try to make a difference.

Being experimental also means becoming a partner in, rather than owner of, the discovery process, which brings us to the matter of productive relationships between funders and their partners (including community members). Foundations that intentionally develop and maintain such relationships—characterized by mutuality, respect, clarity about the goals and risks, agreement on strategies and timeline, flexibility to make adjustments along the way, transparency, honesty, and constructive dialogue—gain a durable tool they can use to generate knowledge as well as meet community change goals. Unless these relationships are in place, the best technical assistance tool or the most generous amount of funding cannot produce its desired impact, especially over the long run. Furthermore, we have seen how learning can be undermined by a culture of anxiety, blame, and unresolved power

dynamics. There simply is no way for community change initiatives to test their theories, adjust their strategies, and achieve their outcomes if the partners cannot learn with and from each other.

The corollary, however, is that effective relationships and a learning stance constitute very powerful assets that philanthropy can bring to the community change enterprise. Indeed, we see them as potentially transformative, affecting all aspects of foundation structure and operations. Despite the difficulties inherent in the first two themes, this work is worth doing—and, therefore, it is worth learning to do well. We believe it is possible to strengthen poor communities and improve outcomes for the people who live in them. And we believe that philanthropy has an important role to play in doing so. Several questions especially invite further philanthropic attention:

- **Intermediaries**—For what kinds of goals and under what conditions can foundations use intermediaries most effectively? Many foundations feel the pressure to stay lean, which makes it difficult for them to operate initiatives directly. Others see their value as providing operational leadership and hands-on engagement. What should a foundation consider as it assesses whether and how to work with an intermediary? And, once the decision is made, how can foundations work with intermediaries as partners rather than in the hierarchical relationship of funder/grantee?

- **Outcomes**—What (and whose) targets will the initiative pursue, and how can this be determined without fueling unproductive power dynamics? What promising methods and tools are emerging to evaluate progress toward outcomes?

- **Learning**—No foundation is against learning, but few are satisfied with the structures and mechanisms they have put in place to maximize learning in real time. What more can be done to identify practical structures and strategies that make learning central to the philanthropic enterprise rather than an extra burden?

- **Initiatives versus long-term partnerships**—Some foundations are finding that they need more flexibility to be responsive to the organic nature of community change work than a highly defined and structured initiative allows. What are the implications of this shift in thinking for philanthropic strategy and investment?

By commissioning this retrospective analysis of the Neighborhood Improvement Initiative, the Hewlett Foundation has demonstrated a desire for critical self-analysis and learning for the field. Not many foundations have been willing to contribute to this level of public dialogue, and we hope that this discussion encourages greater accountability for learning and greater effectiveness within the community change field.

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Appendix A:
INTERVIEWEES

Hewlett Foundation
Paul Brest, President
Cindy Ho, Former NII Project Manager (also Former Project Director, Mayfair)
Kristina Palmer, NII Program Officer
Alvertha Penny, Former NII Director
Connie Walker, Former NII Consultant

Community Foundations
Tanya Clark, Program Coordinator, The San Francisco Foundation
Marjorie Fujiki, Program Officer, Peninsula Community Foundation
James Head, Director of Programs, The San Francisco Foundation
Sandra Hernandez, President, The San Francisco Foundation
Peter Hero, President, Community Foundation of Silicon Valley
Grainger Marburg, Former Project Manager for Mayfair (CFSV)
Mario Paz, Former Project Manager for East Palo Alto (PCF)
Rhonnel Sotelo, Former Project Manager for West Oakland (TSFF)
Sterling Speirn, Former President, Peninsula Community Foundation (PCF)

Evaluation and Technical Assistance
Renee Berger, President, Teamworks
Nadinne Cruz, former director of Haas Center, Stanford University
Liz Vasile Galin, Member of Teamworks NII Team
Rachel Lanzerotti, Rachel Lanzerotti Consulting
Melanie Moore Kubo, Former Staff, JMPT Consulting
Esther Morales, Former Staff, JMPT Consulting
Manuel Pastor, University of California, Santa Cruz
Omowale Satterwhite, President, National Community Development Institute
Shiree Teng, Consultant
Andrew Wong, President, JMPT Consulting

Communities
Jaime Alvarado, Executive Director, Mayfair
Jose Cartagena, Former Board Chair, 7th Street McClymonds Corridor
Faye McNair-Knox, Executive Director, One East Palo Alto
Dolores Santa Cruz, Former Board Chair, Mayfair Improvement Initiative
Betsy Yanez, Board Member and Former Board Chair, One East Palo Alto

Appendix B:
SPECIAL REVIEWERS

Michael Bangser
Consultant and Former President of the Hartford Foundation for Public Giving

Tom Burns
Managing Director of the Urban Ventures Group and Senior Fellow at the OMG Center for Collaborative Learning

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Appendix C: RESULTS

MAJOR OUTCOMES OF THE MAYFAIR IMPROVEMENT INITIATIVE[47]

I. Tangible outcomes that reflect improved life circumstances for neighborhood residents

Physical improvements—refurbished community garden with 120 plots; installed/repaired 63 streetlights; improved 90 sidewalks; beautified neighborhood with clean-ups and murals

Affordable housing—promoted construction of 92 affordable units and 75 below-market units

Neighborhood safety—added crossing guards in front of largest elementary school

Educational improvements—new library built just outside neighborhood

Economic improvements—12 home-based businesses started through a micro-enterprise program

Cultural offerings—new arts and cultural programming created

II. Greater use of services and entitlements[48]

- MII's grassroots health education program, Casa en Casa, enrolled 965 children in health insurance
- Over 500 adults enrolled in literacy, ESL, high school diploma/GED, and computer classes
- First Five, a school readiness initiative, targeted 1200 families to prepare their children to enter kindergarten ready to learn

III. More public and private resources being invested in the neighborhood

- Hewlett's $6.3 million leveraged $9.6 million in additional funds for Mayfair
- Mayfair received $3 million in public safety enhancements
- City of San Jose committed $9 million in bond funds to establish new community center in which the Mayfair Adult Learning Center will be housed
- $7.5 million in in-kind support from public sector (e.g., office space, staff, etc.)

IV. Increased neighborhood capacity

New and strengthened leadership—Teamworks estimates that more than half of Mayfair's residents have been involved in MII in some form; many residents initially engaged with NII through outreach services, at community forums and block club activities, or in positions as promotores go on to join MII's board, rise to leadership positions in government and/or assume increasingly active neighborhood

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[47] This summary is not an exhaustive list of every result of every project with which MII has been involved but rather highlights MII's key outcomes from 1998-2004. MII played various roles (e.g., service provider, implementer, advocate, broker, intermediary) in producing these outcomes, often with other partners. Illustratively, MII staff directly recruited and enrolled children in health insurance plans while it advocated successfully for more affordable housing but did not actually produce it. The information is distilled from Teamworks and JMPT evaluation reports, interviews, and additional materials produced by or for MII.

[48] These outcomes are presumed over the long run to lead to outcomes described in Category I.

leadership roles; at least 3 significant resident leadership groups either started or facilitated by MII now operate independently of MII.

New relationships and networks (social capital)—182 house meetings held to recruit children for health insurance plans; community calendar and newsletter contributes to shared sense of community (*somos companeros*); popular theater creates civic awareness and connections; multiple advisory groups of diverse constituencies formed by MII for its various plans and programs build networks within Mayfair and between Mayfair and outside contacts and resources; public dialogues around such issues as immigration creates new networks with shared consciousness.

New and strengthened organizations—New organizations include MII, a credible neighborhood intermediary with a resident-led board, and the Mayfair Adult Learning Center; MII has also helped strengthen other neighborhood organizations (e.g., helping them incorporate key elements of its community promotores outreach model).

New organizational partnerships and collaborations—MII stimulated the creation of new neighborhood groups such as a Health and Social Services Collaborative and new planning vehicles that guided public and private programming strategies in such areas as housing, education, substance abuse, and workforce development; MII was increasingly recognized as an effective neighborhood broker and facilitator able to develop and support partnerships between organizations in the neighborhood and outside initiatives and resources such as the city's Strong Neighborhood Initiative, the First Five Initiative (school readiness), and various public safety activities.

MAJOR OUTCOMES OF ONE EAST PALO ALTO[49]

I. Tangible outcomes that reflect improved life circumstances for neighborhood residents

Improved neighborhood safety—Formed block associations that negotiated agreement with police to meet quarterly with residents, provide annual training for block club members, and use community policing practices. Consequently, the divide between residents and police is less pronounced than in other communities. Advocated for ordinance to drive out tenants who use or sell drugs; subsequently closed at least one "drug house." Doubled the number of juvenile probation officers for the area (from 4 to 8). Increased county's attention to the most violent offenders in area. "OEPA's leadership in the Crime Reduction Task Force...helped make crime in EPA be viewed as countywide rather than a local issue, [which] helped attract substantial federal and state law enforcement resources for a major crackdown on drug activity in EPA in 2005."

Educational improvements—OEPA's "backdoor approach" frames after-school, ESL, and parent leadership training as pathways to improved education. Nuestra Casa now serve 250 parents annually in its ESL program. Among the 101 students who participated in Quest Learning Center's after-school programs in 2005-06, 66% demonstrated an increased level of study skills, and teachers reported that 33% showed improved literacy skills. The New Teacher's Center's work with Ravenswood City School District resulted in 87% of new teachers returning to the classroom in 2005-06, compared to 27% in 2003-04.

In 2006 and 2007, final NII grants and additional funding from Hewlett's Education Program built on the foundation laid by OEPA to improve in-school and after-school instruction, increase parent engagement, and provide summer job training for young people. For example:

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[49] This summary highlights key outcomes for OEPA from 2000-2006, but it is not an exhaustive list of every result of every project with which OEPA was involved. Our information comes from Teamworks and JMPT evaluation reports, interviews, and additional materials produced by or for OEPA.

- Grants to the Ravenswood City School District, New Teacher's Center, and Boys and Girls Club support small-group instruction after school and provide coaching for after-school staff. Hewlett credits the New Teacher's Center's work, in part, with tripling the percentage of new teachers who return to East Palo Alto classrooms from one year to the next.

- Nuestra Casa's efforts to organize and educate new immigrant parents continue to expand, and the parents have launched successful campaigns to improve school grounds and lunch quality.

- A youth employment program co-lead by OEPA and the Opportunity Industrial Center West, and involving more than a dozen service providers, teaches basic job-readiness skills to 100 youth who face significant barriers (e.g., previous incarceration, placement in foster care, school dropout), pays them for their time, and links them with continued education, training, and employment support.

- Other summer programs—many of which pay stipends—involve EPA young people in mentoring, public art projects, job training, service learning, political education, community organizing, academic support, counseling, and leadership development.

Economic improvements—In OEPA's early years, OICW served 107 clients in 2004; 96 were certified (90%) and 61 placed in jobs (57%), of which 82% were still employed after 6 months. Start Up graduated 19 entrepreneurs, enrolled 14 in advanced training, and helped 18 businesses obtain licenses. 3 new businesses generated an average of $41,666/year. In 2005-06, the emphasis shifted to employment for at-risk youth. The Sponsored Employment Project (SEP) drew 24 member organizations into a network that placed 32 youth in paid internships, supported by community mentors. SEP is scheduled to scale up to 100 positions with 9 other community-based organizations in 2007.

II. Greater use of services and entitlements[50]

- OEPA mapped service providers for youth in 2005-06, which improved the ability to match services to residents.
- 1,494 people were served through OEPA partner programs between 2003-06, including 884 families.
- Service use increased 61% for families and 173% for individuals between 2003 and 2006.
- Almost 100 parents were referred from the Quest Learning Center's parent education program to Nuestra Casa's Parent Leadership Institute in 2005-06.
- By 2004, 21 residents had graduated from the 11-week Spanish-language police academy.
- Approximately 64 residents participate regularly in block clubs, and 300 to 400 have participated in special events.

III. More public and private resources invested in the neighborhood

- Attracted $679,998 for operations in 2004, mostly from Hewlett and Peninsula Community Fndn.
- Leveraged $104,000/year for three years from school district for Nuestra Casa/Canada College project to deliver community-based ESL to Spanish-speaking adults.
- Families in Motion (OEPA board's event) raised $9,100 and attracted more than 200 participants and 20 local agencies.
- Obtained expertise from Stanford University School of Education, University of California-Santa Cruz's New Teacher Center, Skyline College, OICW, and local research firm ASR.

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[50] These outcomes are presumed over the long run to lead to outcomes described in Category I.

IV. Increased Neighborhood Capacity

New and strengthened leadership—OEPA's board is 80% residents. Through two block club leadership summits in 2004, 21 residents were trained in meeting facilitation, community organizing, and cross-cultural recruitment. Three block club captains initiated significant actions, including a Mother's Against Violence march.

New relationships and networks (social capital)—Nuestra Casa empowered Latino parents to advocate for changes in education system. CLASS sponsored design of template for communication between school teachers and afterschool programs. These projects have brought diverse members of East Palo Alto together in a productive way, often for the first time.

New and strengthened organizations—OEPA incubated and nurtured the growth and development of Nuestra Casa—"assisting with its first strategic plan, brokering additional support...for it to hire a well-qualified executive director, and establishing an infrastructure for fundraising." OEPA has developed a role as neighborhood facilitator, convener, and advocate for change. OEPA began to manage the after-school program at Cesar Chavez Academy in 2005, for instance—an expansion of OEPA's functions in a direction that has potential to attract future funding for OEPA.

New organizational partnerships and collaborations— OEPA "commissioned and drew upon data, scanned the political landscape to understand how decisions were made...and positioned itself to both influence policy changes and ultimately be asked to play a central role in their implementation." OEPA convened area's first regional Crime Reduction Task Force and co-chaired its Crime Prevention and Alternatives Committee, which produced a Sponsored Employment Project (SEP) for at-risk youth. Ravenswood After School Collaborative (formerly CLASS) grew to 27 local agencies. Developed/piloted adult ESL program with Stanford University. Coordinated content/schedules of ESL classes with Canada College. Created model for job training of hard-to-reach EPA residents through the Gateway network.

The collaborations have produced system-level change. For example, the schools now have after-school providers collaborating around the goals of improving literacy, math skills, and after-school safety. "OEPA's work with the block clubs helped to influence the selection of the new policy chief, a decision based significantly on his commitment to community policing." The police department now sees OEPA as a community organization that has to be at the table when major decisions are made. He holds "Chat with the Chief" events for residents regularly and requires his sergeants to do the same.