

EMBEDDED PHILANTHROPY PROFILE

From “Moving Forward While Staying in Place: Embedded Funders and Community Change”
(Chapin Hall Discussion Paper, 2004)

EVELYN AND WALTER HAAS, JR. FUND

One Market, Landmark, Suite 400, San Francisco, CA 94105, (415) 856-1400
www.haasjr.org

SUMMARY

For more than 50 years, the Haas, Jr. Fund has addressed the challenges faced by residents in low-income neighborhoods in the Bay Area. Haas, Jr. currently funds four program areas to improve conditions and expand opportunities for low-income and other residents, including strengthening children, youth, and families; strengthening neighborhoods; promoting diversity and inclusiveness; and enhancing nonprofit leadership and governance. In recent years, the Fund has developed greater focus, leadership, integration, and impact in its grant-making. In 2001-2002, after substantial discussion, the Fund’s trustees decided to bring a more comprehensive, ambitious, and cross-cutting vision to their work in two “emerging neighborhoods.” To avoid creating the inflated expectations that have troubled publicly announced “initiatives,” the Fund adopted a developmental approach to community improvement in emerging neighborhoods: it increased the intensity and purposefulness of its support in two neighborhoods but did so without fanfare. The duration of this more intensive support and involvement does not have a specific time frame, but it is understood to require a minimum of 5 to 10 years. Grants in the two emerging neighborhoods currently range from \$700,000 to \$1.2 million but are expected to vary from year to year.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

The Fund initially considered working in several emerging neighborhoods, but it selected just two, Visitacion Valley in South San Francisco and Oakland’s Lower San Antonio district. Factors that influenced the Fund’s selection included a high poverty rate and other economic disadvantages; a limited community infrastructure available to respond to residents’ needs; a diverse, energized mix of residents and local leaders committed to neighborhood improvement; and existing knowledge about and relationships with key local stakeholders and successful grantees in the neighborhood. Lower San Antonio had the additional attraction of the Annie E. Casey Foundation as an existing, active investor. The Fund’s staff believed they could learn from, work with, and potentially leverage Casey’s work.



EMBEDDED PHILANTHROPY PROFILE

From “Moving Forward While Staying in Place: Embedded Funders and Community Change”
(Chapin Hall Discussion Paper, 2004)

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Haas, Jr.’s approach of evolving its grant-making in emerging neighborhoods based on the distinctive realities on the ground—developmentally, quietly, cautiously, and in small, incremental steps—is deeply shaped by its own experience and values as a funder. It also reflects the Fund’s dual commitment to supporting the creation of an enduring infrastructure of effective community organizations and supports in emerging neighborhoods while promoting the development of the individual capacities and opportunities of residents (many of which are not necessarily tied to place). The Fund engaged in thoughtful exploration and discussion before deciding on its current path, including thinking more systematically about the range of capacities and needs in different neighborhoods, the qualities that promote neighborhood success, and the value-adding roles that the Fund might play in different neighborhoods. It also identified the Fund’s distinctive strengths as a local funder, including its long-term relationships with organizations, its historic responsiveness to community leadership, and its ability to keep its eye on local issues. Finally, it explored the experience and ideas of other foundations and leaders, locally and nationally.

Staff identified several building blocks that contribute to the success of neighborhood improvement efforts. The first building block was a viable nonprofit infrastructure, characterized by several strong anchor institutions with stable finances, leadership, and long-standing credibility. The second was the presence of effective community leaders with credibility and the capacity to advocate for neighborhood needs. Local stakeholders were also needed in the process of determining priorities and designing and implementing strategies. The next building block was a large-scale community development project around which to rally. Finally, success required multiple sources of stable funding.

Staff also developed a three-tiered framework to inform and guide the Fund’s grant-making program areas. The three tiers are emerging neighborhoods, mature neighborhoods, and local and state policy. *Emerging neighborhoods* are low-income neighborhoods with emerging community leadership and a developing nonprofit infrastructure, but a weak physical infrastructure and relatively few public and private resources. At this tier, the Fund works more comprehensively and developmentally. *Mature neighborhoods* are low-income neighborhoods with relatively greater capacity and resources; with these areas, the Fund adopts a less staff-intensive approach and invests strategically and selectively in existing community groups and efforts to promote neighborhood improvement. Lastly, *the local and state policy* tier directs the Fund’s efforts toward addressing the policy context of certain neighborhood issues that are shaped by public decisions and rules in venues beyond neighborhood boundaries. The Fund is



EMBEDDED PHILANTHROPY PROFILE

From “Moving Forward While Staying in Place: Embedded Funders and Community Change”
(Chapin Hall Discussion Paper, 2004)

currently working on a “theory of change” to articulate its thinking more deliberately, which it will use to test its grant-making and its progress.

WHAT STRATEGIES HAS THE FOUNDATION USED?

Haas, Jr. did not begin its work in the two emerging neighborhoods with a preconceived strategy. Instead, it seeks to filter and respond to what it learns from the context on the ground and the issues important to neighborhood stakeholders through a set of operating principles that guide the foundation’s work. These principles motivate the foundation to develop and sustain a long-term vision that can inspire transformative and sustainable change; encourage meaningful resident input and participation; draw upon and leverage support from outside expertise and funders; address interests that reach across the Fund’s program areas; acknowledge the diversity within and across neighborhoods while bringing competing interests together to strengthen the whole; and use information about current conditions to anticipate changes and promote informal decision-making and action. The Fund realizes that a neighborhood focus has limitations, and the principles seek to identify critical issues that should be addressed at the city, regional, or state levels. Finally, the principles stress the importance of using the work to articulate lessons for Haas, Jr. and other foundations.

For example, as a result of this framework, the Fund has articulated three strategic entry points to focus its initial work in Visitacion Valley. The first is to support community economic development through the Schlage Lock project, directed particularly toward creating jobs and services. The second strategic entry point is supporting families by better coordinating existing programs and by expanding programs to promote family economic success and school readiness. The final entry point is creating positive opportunities for children and youth, such as building alliances across groups and expanding after-school opportunities.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

The Fund’s trustees and staff are conscious of the need to learn from their work in emerging neighborhoods and to remain institutionally agile and flexible. Several practices are evolving. Rather than assigning, for example, a single, dedicated staff person to an emerging neighborhood, the Fund is integrating responsibility for work in emerging neighborhoods into its staff’s ongoing program area work. As a result, at least two program staff who carry other portfolios have been active resources in the two sites, which has allowed the Fund to bring a richer set of information, skills, and contacts to the sites. It has also pushed the staff to think

EMBEDDED PHILANTHROPY PROFILE

From “Moving Forward While Staying in Place: Embedded Funders and Community Change”
(Chapin Hall Discussion Paper, 2004)

about the overlaps and potential synergies between their work in the two neighborhoods and their grant-making elsewhere.

Staff roles have been transformed, as staff members play much more active and diverse roles in the sites than usual. Although the Fund supports indigenous leadership, seeks to partner with existing community initiatives, and typically avoids leading efforts itself, Fund staff provide active assistance to neighborhood leaders and other public and private stakeholders by convening; providing strategic thinking, planning, and technical assistance; helping organizations and leaders problem-solve; connecting people to ideas and learning opportunities; connecting stakeholders to potential internal and external partners; connecting and brokering resources; and helping organizations put deals together. In addition, staff and the Fund as a whole have developed a close, but informal, working relationship with the Casey Foundation, which, as noted, is also working in Lower San Antonio. The foundations’ staffs share information, insights, contacts, and advice, and Casey has made its rich infrastructure for learning available to Haas, Jr. staff.

Haas has also striven to improve its institutional flexibility. Although priding itself on responsiveness and turnaround in regard to grant requests, the Fund seeks to further minimize administrative impediments to grant seekers from its emerging neighborhoods by offering special assistance and consideration.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

Haas is aware of the time that different projects take to mature and demonstrate success. As a result, staff have attempted to keep a mix of projects with shorter-term and longer-term payoffs in its portfolio as a way to maintain interest, enthusiasm, and momentum among neighborhood stakeholders, as well as Haas, Jr. trustees. With only 2 years in one neighborhood and 1 year in the other, the Fund can point to several significant accomplishments.

Short-term achievements include securing an additional \$2 million for land use planning in Visitacion Valley and other low-income neighborhoods from the City of San Francisco. The Fund has helped hundreds of residents, families, and local nonprofits to agree on and advance a multiuse development plan for the 20-acre former Schlage Lock site in the heart of Visitacion Valley. The Fund also partnered with the Annie E. Casey Foundation to help residents, merchants, community development corporations, and other nonprofits complete a revitalization plan for the 23rd Avenue Corridor in Lower San Antonio.

EMBEDDED PHILANTHROPY PROFILE

From “Moving Forward While Staying in Place: Embedded Funders and Community Change”
(Chapin Hall Discussion Paper, 2004)

The Fund initiated an Earned Income Tax Credit campaign in Visitacion Valley, in which hundreds of residents—many for the first time—received substantial credits from the Internal Revenue Service. The Fund completed neighborhood analyses of the employment opportunities and career paths offering family-sustaining wages, identifying health care and life sciences as promising sectors. Finally, the Fund negotiated an agreement with the city to retire debt on a building that will serve as a center for nonprofit organizations in Visitacion Valley.

The Fund has also laid the groundwork for long-term payoffs. It works with employers, training providers, family support agencies, and public and private funders to create a career pipeline for low-income residents in the health care sector. Haas also fosters the capacity of key nonprofit groups to assume a more prominent community leadership role, for example, by using data to define problems, bringing together stakeholders to address common concerns, and securing needed public and private resources. Additionally, the Fund is working to complete the Greenway Open Space Project in Visitacion Valley, which will create a ribbon of parks for residents.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Leadership that enables others. The Fund continues to question itself about how to stimulate activity and leadership in emerging neighborhoods without putting itself at the center of this work. Haas, Jr. wants to avoid creating a dependent relationship between the foundation and the community, by pushing speed and efficiency over community ownership, or by inadvertently dominating the neighborhood’s agenda. Although staff have no fixed rules, they frequently discuss the tradeoffs involved in particular situations and tend to avoid chairing community collaboratives or other community problem-solving meetings.

Resident voice and input. The Fund is deeply committed to building local leadership capacity and influence but wrestles with how to make truly responsive decisions in emerging neighborhoods. Staff are concerned about the downsides of either anointing a group that can serve as its local “lead organization” or creating its own advisory group. Both approaches seem to contradict the foundation’s commitment to working more developmentally, to avoiding raising unrealistic expectations, and to promoting neighborhood unity rather than factionalism. The Fund also wants to maintain control of its own decision-making and fears having its range of action unduly constrained by a designated community leadership group. Consequently, it has crafted an approach that engages residents, supports community organizing, and promotes and

EMBEDDED PHILANTHROPY PROFILE

From “Moving Forward While Staying in Place: Embedded Funders and Community Change”
(Chapin Hall Discussion Paper, 2004)

respects community planning, but does not give any one entity veto power over the Fund or other community stakeholders.

Expectations in emerging neighborhoods. The Fund continues to learn about the speed and level of progress that can be expected in an emerging neighborhood. Although staff are aware that not all emerging neighborhoods are the same, they still wrestle with the difficulty and time involved in fostering institutional capacity in places where levels are low at the outset. This has led staff to clarify their thinking about the capacities needed to support change, the organizations ready for this kind of strengthening, and the pace at which capacity-building projects can be facilitated.

INTERVIEWEES

Fred Blackwell, Annie E. Casey Foundation

Hedy Chang, Senior Program Officer, Family Support, Haas, Jr. Fund

Lynette Lee, East Bay Asian Local Development Corporation

Brad Paul, Senior Program Officer, Strengthening Neighborhoods, Haas, Jr. Fund

Cheryl Rogers, Special Projects Officer, Haas, Jr. Fund

Randy Tillery, East Bay Asian Local Development Corporation

Sylvia Yee, Vice President of Programs, Haas, Jr. Fund