

## LEARNING TOUR BRIEF #6

## The Power of Place-Based Philanthropy: How to Make it Truly Work

## OVERVIEW AND LEARNING OBJECTIVES

Place-based philanthropy provides a means for communities to challenge persistent, complex problems. In this tour, collaborate with leading minds from The [California Endowment](#), [Price Charities](#), and the [Jacobs Center for Neighborhood Innovation](#) and explore two communities: City Heights and Diamond Neighborhood, where different strategies for connecting funders with disenfranchised groups and individuals will be evaluated.

As you participate in this learning tour, you'll have a chance to:

- Understand some of the core aspects inherent in place-based philanthropy and the broad spectrum of approaches foundations can adopt in their strategy
- Analyze financial models for place-based philanthropy and their implications in a range of communities
- Discuss the strengths and weaknesses of place-based philanthropy and the challenges it is best suited to address

## LEARNING TOUR AGENDA

- Part I: Welcome and Setting a Common Framework for Place-Based Philanthropy  
Part II: Peer Perspectives and Insights on Place-Based Philanthropy  
Part III: Participant Self-Reflection and Discussion  
Part IV: Lunch and Group Discussions  
Part V: Drive back to the hotel through City Heights and the Diamond Neighborhood

## ISSUE STATEMENT

*"When policies and practices are put into place that improve the physical, economic, social, and service condition of communities, the lives of those within the communities also improve."*

- *Why Place Matters* by PolicyLink

During the past few decades, philanthropy has invested considerable resources in place-based, community-change initiatives. Foundation investments have taken many forms, with a wide range of sponsors, durations, scales, and strategies, and much has been accomplished and learned through these efforts. It is clear, however, that community-change work remains challenging for the foundation community. The principles that are increasingly identified as key for foundations attempting to promote positive change in particular neighborhoods do not fit easily into the traditional mode of philanthropic operation. As a result, large and small, local and national foundations alike have wrestled with the challenge of aligning their approaches and cultures with the principles that appear to contribute to effective community change.

## WHAT IS PLACE BASED PHILANTHROPY

Janis Foster Richardson, Executive Director of [Grassroot Grantmakers](#) defines place-based philanthropists as "fundors who have an intimate tie to a particular place that you can find on a map, and are focusing their work in that place with the people who live there and the organizations and institutions that are highly invested in that place. A place-based funder uses a wide-angle, multi-faceted lens in work that is about community resilience and vitality. They may work on one problem or issue at a time, but do so with respect for local history and culture, a commitment to identifying and mobilizing local assets, and an interest in building local capacity to weather the next storm."



### Foundation *policies* that support place-based initiatives

- Comprehensive strategies and programs that seek to address multiple causes of social problems
- Participatory and collaborative approaches to the planning and implementation of the initiative that involve diverse groups of stakeholders;
- Governance structures based at the neighborhood or community level designed to support collaboration across sectors;
- Systemic approaches to reform that aim to influence how resources are distributed and used
- Technical assistance and other capacity-building supports to sustain the community's long-term ability to improve outcomes.

### Foundation *characteristics* that support place-based initiatives

- Maintain relatively long-term relationships with grantees and/or community representatives
- Develop deep ties in the community because staff and/or trustees spend a significant portion of their time personally and directly involved in the change work
- Foster diverse relationships with people who live and work in the community
- Strive to respect community actors as their partners in a joint undertaking
- Promote transparency in their relationships with community partners, where both sides are encouraged to communicate honestly and seek to understand how the other partner operates
- Actively seek feedback from and listen to their community partners.

## BEST PRACTICE FRAMEWORKS

*“Our model is coming in and immersing yourself in the community. You get the best information you can based on what the people tell you and what you see. You bring it all together and you develop a program based on the needs as they define it. And then you go in and you stay. You stay and humble yourself every day and you listen. It’s amazing, the amount of power you incur based on doing that.”*

- Place Based Funder

### [Annie E. Casey Foundation](#)

The Annie E. Casey Foundation and Backer, Miller and Bleeg of the [Human Interaction Research Institute](#) developed six principles for their place-based philanthropy:

1. Focus on a pressing social need
2. Involve residents in philanthropic strategy
3. Take a results orientation within a theory of change
4. Use data to set priorities and evaluate results
5. Use the Foundation's convening ability and other strategies to promote community collaboration
6. Use the Foundation's unique standing in the community to leverage political, human, and financial capital to support good

Please read [Making Connections](#) to learn about the lessons the Casey Foundation learned.

### [Grassroot Grantmakers](#)

Grassroots grantmaking is a place-based grantmaking approach that focuses on strengthening and connecting resident-led organizations and their leaders in urban neighborhoods and rural communities. Grassroots grantmakers:

- Address local priorities – helping residents tackle the challenges they define as most important;
- Value civic engagement – helping people practice and grow the habit of active citizenship;
- Build community – helping individuals come together to improve the quality of life where they live

Please read [Building Capacity for Resident-Led Grantmaking](#) to learn how Grassroots Grantmakers is implementing their approach.



## [John S. and James L. Knight Foundation](#)

To help sustain healthy communities in a democracy, the Knight Foundation aims to increase the ability of individuals to engage in change. The Knight Foundation fosters initiatives that:

- Develop in people a strong sense of belonging and caring, timely access to relevant information, the ability to understand that information, and the motivation, opportunity and skills to take sustainable action on a range of issues throughout their lives.
- Foster innovative approaches to increasing engagement skills in the community development field. The foundation funds programs that use technology to foster engagement.
- Support individuals as agents for engagement, with a focus on youth leadership, social entrepreneurs and local institutions.

Please read [Getting Smarter Together](#) to learn what grantees shared with the Knight Foundation.

## THE COMPLETE CAPITAL FRAMEWORK

Among the characteristics of place-based giving is the recognition that a mix of investment strategies is needed to bring a range of resources to support community solutions. In addition to grantmaking, this mix might include mission related investments, advocacy, convening, community and grassroots organizing, and capacity-building.

[Complete Capital](#) is a framework for harnessing all the elements needed to promote sustainable social solutions. Most social change requires a combination of financial, intellectual, social, and human capital directed towards solving a problem. In practice, however, these elements are rarely coordinated in a systematic way. As a result, social solutions are often slower than necessary, difficult to replicate, and poorly understood.

### **FINANCIAL CAPITAL: POOLING THE RIGHT KINDS OF MONEY**

Most mission-driven organizations know that money isn't 'one size fits all': it's a combination of the amount, restrictions, terms, and availability—among many other factors. Yet no one financial investment or structure is multifaceted enough to address an organization's full spectrum of needs. The resources of a single funder acting alone may not always be sufficient to fully support an individual organization or solve a social problem. As a result, leaders struggle to cobble together multiple sources of funding, which adds to their management challenges and often leaves the needs of the underlying enterprise under-funded.

NFF provides a range of financial options, which include loans and grants, that can align funders and organizations around a shared financial strategy—ultimately a far more efficient use of limited resources. We also assemble different types of capital from a variety of sources, leveraging investments to maximize the impact beyond what a single grant or loan alone would be able to achieve.

### **HUMAN CAPITAL: ADVICE OR SUPPORT FROM THE RIGHT PEOPLE**

Mission-driven organizations need people that have specific skills, combined with a passion for social good. On the program side, organizations know the human capital required to deliver services. Internal operations, however, are often constrained by lack of money and must be supplemented by consultants with specialized expertise in finance, communications, fundraising, research, and more. In Complete Capital Initiatives, we deliver and coordinate operations-related consultants that organizations need to overcome a specific business challenge. We also help staff develop new tools and skills so that they are able to sustain and enhance the work long after the Initiative is over.

### **SOCIAL CAPITAL: LEVERAGING & BUILDING THE RIGHT NETWORKS**

Success often requires changes beyond an organization's direct sphere of influence. But many organizations struggle to engage beyond their existing networks. To help develop new partnerships and share expertise, NFF facilitates conversations among stakeholders and organizes events (on and off-line) for organizations, community leaders, and funders. Grantees, funders, and stakeholders leave Initiatives with a shared understanding of the considerations and components to organizational success and collective impact.

### **INTELLECTUAL CAPITAL: UNDERSTANDING & SHARING WHAT WORKS**

Tracking the progress that participants make in realizing change is critical to evaluating the success of a Complete Capital Initiative. By capturing, analyzing, and sharing data with discipline and consistency, we are better able to recommend systemic improvements and replicate what works. In Complete Capital Initiatives, we also share what we learn with the public through articles, publications, online tools, webinars, conferences, and more.



## LESSONS LEARNED

[Why Place Matters](#), written by PolicyLink and The California Endowment, studied 11 different programs across the country addressing a variety of community health issues. These programs seek to improve the health of individuals through a focus on community and illustrate how organizations and groups are employing effective “place-based” strategies.

Although focused on health, the case studies yielded rich information that can be applied across disciplines:

*Capitalize on emerging opportunities and prioritize needs:* Because changes are needed in the physical, social, economic, and service environments, certain issues will take precedence at any given time; not all needed changes can be pushed simultaneously. An understanding of the timeliness of issues and the capacity of advocates is crucial for success.

*Promote a comprehensive approach:* Comprehensiveness has multiple meanings for groups focused on building and sustaining healthy communities. It can mean that a single organization takes on a very broad array of issues and develops a multifaceted approach to serving, and working with, children, families, and neighborhoods. It can also mean that an organization takes on diverse areas of policy change that cut across traditional boundaries. A third approach emerges when organizations that work primarily on one issue make stronger connections and alliances with others.

*Maintain a focus on equity and eliminating health disparities:* There is growing awareness of the importance of certain issues. For instance, the health impacts from obesity, as well as the consequences on climate from automobile-dependent development. The challenge to building healthy communities is to capture the broader sense of urgency and concern, and use it to strengthen a focus on the needs of vulnerable populations and the fundamental questions of race and class that underlie current disparities. Advocates for the good health of low-income communities and communities of color need to be engaged in debates about the specific challenges confronting their communities, the approaches to address them, and broader societal issues, to ensure that new policies and practices are equitable and overcome previous barriers to full inclusion and participation.

*Involve residents and leaders in policy change efforts:* Improving health through a focus on place is in large part a process of community change and development, and the participation of residents and community leaders is critical for successful programs and policy change. Community engagement is a prerequisite for place-based strategies and policymaking that is authentic in its approach and meaningful in terms of its impact.

*Build the capacity to analyze and solve community problems:* Diverse leaders who reflect their communities are crucial to increasing the participation of people of color and low-income individuals in the push for change. Community members need support to grow as leaders, and they need to be connected to policy change efforts at the local, state, and national levels. The organizations working to improve health and involve residents also need capacity to be effective advocates for change. Successful efforts for building healthy communities require connections, skills, and relationships to be cultivated and strategically applied.

*Foster collaborations and alliances:* Multi-sector approaches and new, unusual, and rekindled collaborations and alliances must be encouraged and fostered. Specific avenues for collaboration and coordination need to be identified and pursued. Collaborations and coalitions succeed because the mutual self-interests of member groups are well served by their joint goals and activities. To succeed, groups need to identify their areas of common interest, understand the constraints that impact each other, and ensure good and open communication.

*Use local efforts as platforms for regional and state change:* Developing approaches to local challenges presents opportunities for risk-taking and experimentation. The voices of local advocates allow policymakers to understand protective and risk factors from a community perspective. Successful approaches can become the basis for regional or statewide agendas for change.

*Push local governments, particularly public health departments, to prioritize healthy communities:* Community health can be recognized as important by local officials, but to act effectively, cities and counties must reorient their planning and operations, establish new methods of collaborating across sectors, and focus much more on prevention.

*Translate research to highlight the link between community conditions and individual health, and to provide insights about the effectiveness of different approaches:* Public health, medical, and social scientific research should continue to



establish the link between health and community conditions, assess the effectiveness of existing policies, and help identify the priorities within and across communities. Research should be relevant to community needs, support community change agendas, be designed to document and better understand local issues, and provide diverse stakeholders with information needed to bolster efforts seeking policy change.

*Create healthy environments to support healthy personal choices:* Environments impact individuals and their ability to make healthy choices. Individuals do have choices, but their choices are dictated by where they live and to which services they have access. Linking health objectives to place-based issues, as well as to the policies and change strategies that will address them, is crucial to creating healthy communities.

*Document and disseminate success stories:* The public needs to sense that change is possible. Stories about advocacy and policy change need to highlight how change can happen and the ways it can make a difference. The stories need to shine a light on the work of leaders in low-income communities of color—how they are advocating for change that makes their communities healthier.

*Help the media reframe stories:* Take a new perspective, moving away from the sole focus of portraying sad stories about individuals and more towards shining a light on stories that are about improving communities and people creating change. These stories confirm that change is possible, provide possibilities for replication, and attest that a broader movement can be stitched together to make a difference in communities across the country.

*Invest in the long-term:* A long-term commitment is necessary to change the conditions in underserved and underprivileged communities. Invested stakeholders—funders, policymakers, researchers, advocates, practitioners, and the community—must understand that time and money will be needed; the work may be stalled by failures, but will also be accelerated by successes.

*Broaden the platform for change:* Strategic new alliances, collaborations, and coalitions must continue to be developed to help move specific and broader agendas.

## HOW IS THE SAN DIEGO COMMUNITY DEALING WITH THIS ISSUE?

### [The California Endowment](#)

The California Endowment (Endowment) is a foundation committed to improving the health of all Californians, especially those in underserved communities. They've made thousands of grants since 1996, and the most important thing they've learned is: Health doesn't begin in a doctor's office. Where people live has an enormous impact on their health. Being able to breathe clean air, to send kids to school without the fear of violence, to have a convenient place to buy fresh foods, to live near a park where to walk and play – these are the things that prevent illness in the first place.

*Place Matters.* In 2010, the Endowment embarked on a new, 10-year strategic direction: *Building Healthy Communities*. The goal is to support the development of communities where kids and youth are healthy, safe, and ready to learn. Working with 14 communities across California, TCE is doing this by improving employment opportunities, education, housing, neighborhood safety, unhealthy environmental conditions, access to healthy foods, and more.

*Communities are leading the way.* The Endowment has a wealth of policy and research experience, and the communities have a wealth of real-world experience. During the year-long planning phase sponsored by the Endowment, everyone came to the table – schools, local government, business leaders, neighborhood groups and individuals – and strived to give each other a voice so that each community could create their vision for 2020 and how to get there. Success will be measured by reaching specific milestones in decreasing childhood obesity and youth violence and increasing school attendance and access to quality health care in our target communities.

*Health in all systems.* The research is undeniable: Health is linked to employment, education, economic opportunity, housing, the environment and more. These interrelated problems require interrelated solutions. The Endowment is working across all systems that impact community health – schools, human services, economic development, transportation, and land use.



## [Mid-City Community Advocacy Network](#)

From its inception in 1982, the Mid-City Community Advocacy Network (Mid-City CAN) Collaborative has provided the community of City Heights with a place to have a voice. Mid-City CAN is a collaborative of over 150 organizations, governmental agencies, religious institutions, and residents (youth and adult). Mid-City CAN is not a nonprofit organization or institutional entity.

Mid-City CAN is a community collaborative or network that can be thought of as a set of concentric circles. The inner circle represents the Coordinating Council, the governing body whose members are elected annually by public community election. The middle circle represents the general membership. To become a member, an organizational representative or resident of City Heights must complete a membership form and commit to the governance guidelines (like bylaws). Upon becoming a member, one is granted the right to vote for the Coordinating Council. The third circle represents the broader community which participates in Mid-City CAN projects, events, or House Meetings. Momentum Teams, where the work of Mid-City CAN gets done, unify these circles.

The mission of Mid-City CAN is to promote a safe, productive, and healthy community through the collaborative efforts of families, youth, schools, religious and cultural organizations, businesses, and public and private agencies. Mid-City CAN is a clearinghouse for ideas, communication, coordination, advocacy, organizing, and networking in support of the Mid-City community.

The work of the Collaborative has historically been carried out in Momentum Teams; issue-based workgroups that gather to address issues of concern to those present. Their purpose is to function as centers of activity, advocacy, organizing, and coordination of services based on a community issue that has gained sufficient momentum and interest to establish a Momentum Team. Periodically, as in the Building Healthy Communities Initiative and The Partnership for the Public Health Initiative, Momentum Teams are used for planning purposes. Momentum Teams report monthly at the Networking Council (Mid-City CAN's general meeting). When Momentum Teams achieve their goals, or momentum around an issue wanes, they disband.

## [Price Charities - City Heights Initiative](#)

City Heights is a vibrant urban community east of downtown San Diego consisting of 16 defined neighborhoods. Approximately 74,000 people live in a four square mile area, making it the most dense community in the San Diego region. A significant number (42.4%) of residents are foreign born with a majority migrating from Latin America, Asia and Africa. Only 63% of adults have a high school diploma, 33% are not English fluent, and 27% live in poverty.

In 1994 Sol Price became interested in City Heights as a result of a newspaper article about a Vons grocery store closing in the community. At the time, City Heights had the highest crime rate in San Diego County, gang activity and drug dealing were rampant, housing was substandard and public services were lacking. Sol and former City Councilman William Jones had been working together to open a retail store in an inner city neighborhood in San Diego. Believing that the Vons store might be a good site, they soon learned that the City of San Diego had already secured the site for a new police substation, but didn't have financing in place. Sol made an agreement with San Diego City Manager Jack McGrory whereby Sol would loan the City the money for the building construction if the City would agree to repay the loan in a timely manner and design the following into the building: a gymnasium for police employees and the public to use, public meeting rooms, and windows on the street side of the substation. The purpose of these facility additions was to make the substation as community friendly as possible. The City agreed and the project was completed less than two years later.

While working on the development of the police substation, Sol and William decided that Sol would focus on non-profit work in City Heights while William would focus on for profit real estate development. The "City Heights Initiative" was conceived as a holistic approach to the revitalization of an urban community. The Initiative focuses on improving housing, retail, healthcare, education, social services, public safety, job opportunities, and other quality of life issues and services.

## [The Jacobs Center for Neighborhood Innovation – The Diamond Communities](#)

The Jacobs Center is partnering with resident teams in southeastern San Diego to transform 60 acres into The Village at Market Creek, a LEED-certified neighborhood and vibrant cultural destination. Through a network of nonprofit and for-profit partners, locally-owned businesses and national tenants, a community and conference center, and a portfolio of social enterprise projects, the Jacobs Center is creating assets that will become economic engines for the community



when the foundation sunsets in 2030. Under the banner of “Resident Ownership of Neighborhood Change,” the people who live and work in the community create the vision, lead the implementation, and own the change in their community.

The Jacobs Family Foundation (JFF) has been making grants and supporting grassroots community transformation in southeastern San Diego for more than 15 years. Through innovative grantmaking and key partnerships, JFF has tackled community issues related to health, education, economic development, public safety, arts and culture, civic engagement, and the environment. Since 1998, our grant-making has focused almost entirely on “The Diamond” neighborhoods, 10 communities emanating out from the intersection of Market & Euclid in the City’s 4th Council District. Additionally, we have provided technical assistance and fiscal agency to local nonprofits to increase their reach and effectiveness.

## RESOURCES AND REFERENCES

[Breaking Through the Clay Line](#)

[Community Change: Lessons from Making Connections](#)

[Donor Perspectives On Nonprofit Capacity Building](#)

[Hard Lessons about Philanthropy & Community Change from the Neighborhood Improvement Initiative](#)

[Moving Forward While Staying in Place: Embedded Funders and Community Change](#)

[Scope, Scale, and Sustainability: What It Takes to Create Lasting Community Change](#)

[The Experience of an Intermediary in a Complex Initiative: The Urban Health Initiative’s National Program Office](#)

[The Place-Based Strategic Philanthropy Model](#)

[The Role of Leadership in Place Based Initiatives](#)

[Why Place Matters](#)

