

Building on What Works and Investing in Progress

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Six years ago, the Citi Foundation decided to make a grant to the Low Income Investment Fund (LIIF) to explore innovations in the field of community development. We wanted ideas for improving low- and moderate-income communities—and the lives of the people who live there—and we were interested especially in initiatives with the potential for significant impact and scale. We got them. Those initiatives eventually became the foundation for the book, *Investing in What Works for America's Communities: Essays on People, Place & Purpose*.

As I was sitting across a table from LIIF President Nancy Andrews that day six years ago, I could not have imagined the impact this book would have on the field because, quite frankly, it was not a happy conversation. I remember feeling frustrated and disheartened as I looked at statistics that showed the percentage of Americans living in poverty had steadily increased from 11 percent in 2000 to 15 percent in 2011. This was equal to what it had been in 1964 when President Johnson first launched the “War on Poverty”—and actually even worse in absolute terms, since the nation’s population has grown significantly since the mid-1960s. This means millions more Americans are struggling to make ends meet.

It seemed to me that we as a nation and an industry were running into growing, complex challenges and that progress was slowing. And I wondered if we should completely rethink how we invest in the field of community development if our current work wasn’t really making a difference. Nancy appreciated my frustration and expressed some of her own. But she was also quick to point out a few shining lights across the country that were doing things differently and getting results—groups like the Harlem Children’s Zone in New York City, Purpose Built in Atlanta, and BakerRipley (formerly Neighborhood Centers, Inc.) in Houston. She openly pondered what the secret of their success was and if it could be replicated at scale across the country. Based on that conversation, the Citi Foundation decided to provide LIIF with a grant to research these groups’ “secret sauce” and to write a paper about it, so that others might learn from their example.

Anyone who has had the pleasure of working with Nancy knows that she does nothing in half measures. So it was no surprise when we checked in a month later to learn that LIIF would be partnering with the Federal Reserve Bank of San Francisco (FRBSF) to expand the research paper we had discussed into an anthology of community development from different perspectives, written by some of the field’s greatest thinkers and released in book form. Thus, *Investing in What Works for America's Communities* was published in 2012.

What did surprise me was the immediate and positive response this book received. The FRBSF distributed more than 50,000 hard copies of *Investing in What Works for America's Communities*, and readers from across the country downloaded many more e-copies. The text was adopted as required reading in public policy classes at colleges and graduate schools around the country and reached more than two million people on social media. Apparently, the field of community development was just as frustrated as I was with the status quo—and just as eager for breakthrough solutions that would achieve different results.

Clearly, we had hit on something big. We felt the need to respond in a way that would sustain the powerful momentum that *Investing in What Works for America's Communities* had unleashed. So instead of just talking and writing about the status quo and the need to shake things up, the Citi Foundation decided to actually test some of the book's key ideas. One of the core messages is that persistent poverty has multiple, tightly intertwined, and mutually reinforcing causes, and that tackling any one of them in isolation will not work in the long term. Instead, efforts to battle poverty must be integrated across multiple sectors. The book argues that people-based efforts, such as education, health care, and workforce development, and place-based efforts, such as housing, transportation, and community safety, must be coordinated around shared goals and joint accountability. The book further posits that by working together across sectors to achieve a common goal, partners would be more effective than they would be separately. In the chapter "Routinizing the Extraordinary," the authors had challenged the field of community development to create a new cadre of "Community Quarterbacks" who could lead the charge in breaking down the artificial silos that had created the status quo.¹

So that's exactly what we did. In 2013, the Citi Foundation again partnered with LIIF to launch Partners in Progress, a two-year, \$5 million pilot initiative that provided flexible support and technical assistance to 14 community-based organizations to help them become Community Quarterbacks. They were charged with:

- Mobilizing a shared vision for community-based change to improve the lives of community residents;
- Developing a comprehensive strategy, integrating the best of people- and place-based approaches, to implement that vision;
- Building a cross-sector collaborative of partners to support the vision and strategy;
- Providing the collaborative with timely, useful data to guide continuous assessment and improvement.

What follows this chapter is a series of case studies highlighting the experience of six organizations that participated in our Partners in Progress initiative. I'm proud to say that during this two-year pilot, our Partners in Progress grantees became living examples

1 David Erickson, Ian Galloway, and Naomi Cytron, "Routinizing the Extraordinary," in *Investing in What Works for America's Communities: Essays on People, Place, & Purpose*, ed. Nancy Andrews et al. (San Francisco: Federal Reserve Bank of San Francisco, 2012).

of how the Community Quarterback model can lead catalytic change. **Fairfield County Community Foundation** championed a resident-driven community development process at PT Barnum Public Housing in Bridgeport, CT, that gave residents a voice in negotiating with the city for economic development projects that affected their neighborhood. **East Bay Asian Local Development Corporation's** San Pablo Avenue Revitalization Coalition highlighted the link between environmental causes and health disparities and inspired new partnerships between public health and community development in Oakland, CA. **CASA** mobilized thousands of residents of Langley Park, MD, to engage with regional planners of the Purple Line, the planned 16-mile light-rail line, to minimize its potential to displace low-income families or small, immigrant-owned businesses and to ensure that its benefits will be equitably distributed. True to its name, **BRIDGE Housing Corporation** in San Francisco has made remarkable progress building a bridge over the economic and class divide that has long separated the North and South Portrero neighborhoods. It is pursuing a community integration strategy informed by a major innovation, “trauma-informed community building,” which recognizes that all of BRIDGE’s work must take into account the psychological battering that long years of poverty and social isolation have taken on Portrero’s public housing residents. **Community Solutions** conceived a bold campaign to bring 5,000 jobs to Brownsville, one of New York’s poorest neighborhoods where nearly 40 percent of people live below the poverty line and whose two square miles contain 18 public housing projects—the highest concentration in the country. **Neighborhood Housing Services of South Florida (NHSSF)** proved the cross-silo approach in an especially compelling way: Its work in the 79th Street Corridor did not conform to any generally recognized neighborhood but instead spanned portions of five jurisdictions between two separate cities, Miami and Hialeah. Through patient engagement with justifiably skeptical, long-neglected residents of the corridor, and with all the different officials, NHSSF is on its way to bringing jobs, affordable housing, small-business services, and perhaps most important, a sense of hope and buy-in to the Corridor for the first time in decades.

Across the country, Partners in Progress organizations are leading the charge on reimagining how the field should “do” community development—seeking out new partnerships, breaking down silos, and driving results while guided by data-rich decision-making—a true embodiment of the best ideas that emerged from *Investing in What Works for America’s Communities*.

Beyond the national dialogue it sparked and the example we set for front-line practitioners with the Partners in Progress pilot, the Citi Foundation’s involvement with the book also had a tremendous impact on us as a funder. As we designed our Partners in Progress initiative around the spirit of the book, we realized that we ourselves needed to work smarter, to reexamine our approach to grant-making and grant administration. We wanted to better harness the energy and excitement that is out there all across the country demanding change, and to focus the Foundation’s strategy on replicating the innovations that are getting real results.

So three specific takeaways will inform our community development grant-making going forward:

1. **General operating support**—The unrestricted nature of the grants the Citi Foundation provided proved to be extremely important. As you will read in the CASA case study, nonprofit finances are a complicated jigsaw puzzle—and jigsaw puzzle pieces are not interchangeable. CASA itself relies on more than 150 funders to assemble its \$7.5 million operating budget, and those include public-sector sources that place tight restrictions on overhead costs, limiting the availability of necessary staff resources to pursue new initiatives. The flexibility of the Citi Foundation’s support gave grantees the “glue money,” as CASA put it, to work in cross-sector collaboration. It also provided the latitude to innovate as well as pivot in the face of unexpected challenges—nothing is static, and situations can change after the grant is awarded. Our Partners in Progress grants truly functioned as “seed money” that enabled our grantees to take risks and explore new areas, and account for what worked and what didn’t.
2. **Peer-to-peer engagement**—At our kickoff event for Partners in Progress, we quickly realized that the groups in the room had more to learn from each other than we could ever offer through paid experts. So we prioritized grantee interaction and encouraged the frequent sharing of best practices and lessons learned. The resulting connections that grantees made led to grantee-initiated conference calls, site visits, information exchanges, and true friendships that bore fruit beyond the Partners in Progress initiative.
3. **Data measures and management**—Becoming a data-driven organization requires much more than just choosing a software platform. The Citi Foundation actively encouraged Partners in Progress grantees to develop the internal capability to collect and use data on behalf of their community collaborations. But we underestimated the dramatic organizational changes that accompany a more data-driven approach and the technical complexities, steep learning curve, and cost and time commitment required for success. Data are ultimately meant to be a tool to support projects, not a project in themselves. Organizations need to realistically assess their data capacity and potential before launching a data-dependent strategy for any given project.

Taking these lessons to heart, when the Partners in Progress pilot ended in 2015, the Citi Foundation decided to take the best ideas that we had learned from both *Investing in What Works for America’s Communities* and the Partners in Progress pilot to launch a new initiative at a much larger scale. Our new Community Progress Makers Fund is a \$20 million, two-year initiative designed to support 40 high-impact community organizations that are driving economic opportunities in their communities. These 40 change agents are addressing a range of urban challenges, from economic development and affordable housing to environmental sustainability and urban infrastructure. In addition to providing core operating support, Community Progress Makers includes a grantee learning collaborative to share best practices, as well as support for grantees to assess and improve their data-using capacity.

The most successful community innovators have long understood that there is no one-size-fits-all solution to complex social and economic issues. Thanks to *Investing in What Works for America's Communities* and Partners in Progress, there is increasing evidence that working comprehensively and collectively across silos—with nonprofit partners, businesses, government, and residents themselves—can dramatically increase the pace of progress for all.

The Citi Foundation is looking forward to continuing to lead this charge by supporting the next generation of transformative local solutions through Community Progress Makers. One of the greatest satisfactions a funder can have is the chance to work steadily over time to nurture good ideas and the people who execute them—testing approaches, identifying what works, refining, adjusting, testing again, and going to scale. It's the model the for-profit sector calls "patient capital." And as I reflect on the Citi Foundation's work during the past six years, I am reminded that the word patience has the same root as the word passion. Patience originally described the kind of passion that does not burn itself out from its own intensity but rather the kind that is grounded in commitment and only grows stronger over time.

Five years ago, *Investing in What Works for America's Communities* captured some of the best thinking from the field that has long been the Citi Foundation's passion—expanding economic prospects for low-income families. Then two years ago, the Partners in Progress pilot tested those ideas. Now Community Progress Makers will take them to scale, and we will know even more about what works best to build vibrant communities. The Citi Foundation will evolve accordingly, our patient capital guided by our genuine passion for the values of equality and opportunity for all Americans, wherever they live, wherever they came from, and whatever their economic circumstances.

For now, it is my honor to join in celebrating *Investing in What Works for America's Communities*, the book that started it all. On behalf of all of us at the Citi Foundation, I hope you find these stories as informative and inspiring as we do.

Brandee McHale is president of the Citi Foundation and Director of Corporate Citizenship at Citi. She oversees the Citi Foundation's global grantmaking strategy and leads Citi's citizenship efforts, including volunteerism and environmental sustainability. For over three decades, Brandee has dedicated her career to philanthropy and developing a forward-thinking portfolio of grant initiatives that connect low-income residents to onramps of economic opportunity and a secure financial future. As the board chair of Prosperity Now (formerly CFED) and a member on the board of directors of the Local Initiatives Support Corporation (LISC), Living Cities, and America's Promise Alliance, Brandee helps chart the direction of numerous efforts to create lasting change in communities across the country.