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For the past 18 months, cross-sector collaboration has been front and center on the federal government's policy agenda, with the goal of better coordinating government resources for greater impact. Promise Communities, Choice Neighborhoods, Transportation Tiger grants, and Sustainable Communities initiatives epitomize the new direction for federal, state, local, and private-sector strategies. This shift moves away from the categorical, silo approach to a more collaborative approach that connects different sectors and institutions to build synergy and stronger outcomes.

There are many good reasons to collaborate, including opportunities for increased efficiency and effectiveness. Some of the programmatic advantages include creating economies of scale and expanding market opportunities. This approach is supported by Gerencser, Van Lee, Napolitano and Kelly, who, in their book *Megacommunities*, argue that the complexity of today's major issues demands a tri-sector approach to problem solving (government, business, and the social sector). The authors believe that to be successful, one must create adaptable, cross-organizational structures with an overlapping vision and goals.

Many nonprofit housing and community development organizations face an environment of diminishing resources. This necessitates that they change both their approach and their business models. The economic recession has reduced private and public resources for all nonprofit organizations, and the trauma in the financial markets has placed an additional burden on housing and community development organizations as their traditional sources of financing have dried up, not to mention limited developer fees because fewer projects are being built.

A 2009 poll of nonprofit executives by the Bridgespan Group found that 20 percent of 117 respondents thought mergers could play a role in how they respond to the down economy. *Philanthropy News Digest* reports that donors have also begun to provide incentives to encourage nonprofits to collaborate or merge. They cite Lodestar Foundation's new annual collaboration prize as an example, and quote Lodestar President Lois Savage as saying that collaboration is the wave of the future and not just a result of difficult times. And although it is easy to support the idea of merging and leveraging funding streams and programs, making it happen isn't always clear. Furthermore, well intentioned efforts often fail because the proper groundwork wasn't done.

There are good examples of using a collaborative approach in the nonprofit sector. Many players have survived in large part owing to its entrepreneurial approach to addressing difficult social problems. Affordable housing development is a case in point. It takes public and private funding, plus a plethora of lawyers, consultants and contractors to get a project built. While the process is often lengthy and complicated, the end result could not be achieved by the sole efforts of the sponsor nonprofit organization. Therefore, this sector seems well-equipped to act on this issue.

This paper uses seven short case studies of nonprofit housing and community development organizations to explore three different collaborative strategies that increase their efficiency and impact. These case studies include both recent and long-standing partnerships in affordable housing, community development finance, neighborhood stabilization, and transit-oriented development. We conclude with recommendations based on the examples, including effective strategies for successful innovation, collaboration, and partnership formation.

Models for Collaboration

Collaborations can be structured multiple ways to emphasize and use the strengths of each partner. Functions such as fundraising, data systems, accounting, human resources, marketing, and program evaluation can be centralized to achieve efficiencies. Other functions such as program delivery, job training, organizing, and case management can be decentralized to achieve a broader reach and offer in-depth services to low-income constituents. Each case study we highlight below had adopted a structure that made sense for them given their skills, situation, and community.

Some common models are:

- **Hub and spoke:** In this model, a centralized entity provides services to a network of decentralized agencies that provide related services that are best handled where the customers are located. This frequently has a "high finance" administrator and "high touch" decentralized delivery system. Examples include HANDS, Inc., Operation Neighborhood Recovery, Cleveland Housing Network, Partners for the Common Good, and NeighborWorks Montana.
- **Cross-sector collaboratives:** In this model, several groups with expertise in different sectors come together to bring visibility and resources to an issue. The goal can be policy driven, where groups create a common agenda that builds political power to influence public decisions and generates resources that transcend traditional boundaries, such as neighborhoods and organizations. Cross-sector collaboratives can also be used to leverage knowledge, where one group accomplishes more by leveraging its expertise with complementary services offered by one or more other organizations. Examples include HANDS, Inc./Valley Arts, Satellite Housing, and the Fairmont Collaborative Line.
- **Service specialization:** In this model, each participating organization assumes a lead role in one facet of a comprehensive program, with the group as a whole setting goals and monitoring outcomes. An example includes The Federation of Appalachian Housing Enterprises (FAHE).

Case Studies

HANDS, Inc., Orange, New Jersey

BACKGROUND: HANDS, Inc., is a 25-year-old community development corporation (CDC) that serves both Orange and East Orange, NJ, two low- and moderate-income communities adjacent to Newark. HANDS is nationally recognized for its work on abandoned properties and neighborhood stabilization, as well as having seeded a strong youth development and arts and culture initiative, Valley Arts Inc. Collaborations and partnerships are becoming increasingly important to HANDS' work, and the CDC is placing a greater premium on using partnerships as their work expands beyond the borders of Orange and East Orange. Patrick Morrissey, the founding executive director of HANDS, stated that, "good partnerships occur between good people, mature adults, and thoughtful decision makers with a clear focus." HANDS has been involved in two major partnerships in the past few years, and while necessary and effective, the partnerships have had mixed results.

COLLABORATION: The first partnership was between HANDS, Valley Arts, Inc., and the Orange Board of Education (BOE) to develop employment opportunities in the arts for high school youth. HANDS played a major role in incubating Valley Arts as an independent nonprofit whose goal was to raise the importance of arts and culture in the revitalization of Orange. HANDS raised more than half its funding for Valley Arts through a five-year grant from the Wachovia Regional Foundation, which ended in December 2010.

Both HANDS and Valley Arts entered into a partnership with the Orange BOE to provide technical assistance, financial resources, and arts training for youth, while the Orange BOE accessed government youth employment funds. The youth arts partnership initiative met its goals of engaging about 30 young artists each summer for three years and creating wonderful public art projects–until there was a change in the leadership of the mayoral appointed board. New BOE appointees cancelled the Valley Arts partnership at the last minute, causing both organizations to scramble for funds. Valley Arts continue to operate the youth arts program at a reduced level, and the long-term prognosis of the program is uncertain, despite filling an important void.

The obvious lesson is that it is challenging to work with a local appointed body, particularly if new leadership emerges. For long-term success, it is essential to continually build and nurture relationships with key decision makers and power brokers. Even when performance goals and objectives are built into the partnership, a change of leadership can damage the partnership.

Operation Neighborhood Recovery (ONR) represents another interesting HANDS collaboration focused on stabilizing neighborhoods and mitigating the foreclosure crisis. HANDS created ONR as an entity to purchase defaulted mortgages on 47 vacant properties in Orange and surrounding communities and convert them back to productive use and occupancy. HANDS recruited five CDCs in surrounding communities, whose responsibility was to renovate and sell in their respective neighborhoods a portion of the 47 properties (93 units) once ONR had clear title. ONR's role, largely through HANDS, was to raise the funds, clear the title, and convey the properties to the CDCs. HANDS/ONR took all the financial risk and responsibility for this initiative.

Although the collaborative has achieved some notable successes, some of the participating CDCs have been slow to acquire the properties, despite having funds available, mostly from the federal Neighborhood Stabilization Program (NSP). Holding these vacant properties in vulnerable neighborhoods has led to financial hardships for HANDS/ONR.

LESSONS: The valuable lessons to draw from this experience include ensuring that all members of the collaboration have a financial stake in the partnership, and ensuring that the lead organization does not assume all the risk. In retrospect, Patrick Morrissey suggests that, "HANDS should have applied on behalf of the partnership for NSP dollars and controlled utilization of the dollars and timing of the property acquisition and disposition."

This example illustrates the problems that can occur when one organization is dependent on another, incurs risk and costs when the other fails to act, and lacks an easy alternative. This imbalance is never good for a collaboration, because everyone must contribute financial and in-kind resources for the partnership to be effective. An equitable balance between the risks and the rewards is essential.

Cleveland Housing Network (CHN)

BACKGROUND: Cleveland Housing Network was formed in the 1980s to coordinate and assemble financial and technical resources to build low-income rental and for-sale housing to partner with CDCs in Cleveland. CHN was one of the earliest collaborations nationally, with multiple CDCs in one city, and the funding community embraced it. CHN has 16 CDC representatives on its board of directors, and it has evolved over nearly 30 years of operation. Rob Curry, CHN's executive director, stressed the importance of "nonoverlapping expertise" as "an important way to advance partnerships."

COLLABORATION: In Cleveland, strong collaborative efforts have emerged for supportive housing initiatives over the past five years. The main partners are CHN, Mental Health Services of Cleveland, and EDEN, a nonprofit organization that specializes in supportive housing. The parties agreed to build 1,000 units for chronically homeless people in Cleveland, and they have completed 500 units in five years. The partners' expertise and resources complement one another; CHN develops the project, Mental Health Services provides supportive services, and EDEN manages the units. As co-owners, CHN (development risk) and EDEN (operational risk) share the risk.

Another example of collaboration is how CHN stages its scattered-site property management (1,800 homes), energy conservation work (10,000 units annually), and other activities that require a large number of geographically dispersed transactions. CHN contracts and works with CDCs to deliver these neighborhood-specific services. The clear and productive contractual activities help maintain positive relationships between the CDCs and CHN.

According to Rob Curry, the recent foreclosure crisis has provided an opportunity for housing counseling agencies to move "from seeing each other as competitors to collaborators." This stems, in part, from an excess of clients to serve and because each client needs to be quickly routed to the agency that can produce the best outcome for his or her specific circumstance. Another collaboration spurred by the foreclosure crisis is a partnership between CHN, Neighborhood Progress, Inc. (NPI), a community development intermediary in Cleveland, and six CDCs. The group targets strategic investments–including 300 post-foreclosure vacant home rehabs, 300 demolitions, and 300 foreclosure interventions–in a meaningful way to six target areas.

LESSONS: CHN is increasingly concerned about the future of community development in Cleveland and the potential for adversarial rather than collaborative relationships among CDCs as resources shrink. In response, Curry and his staff are intentionally working with other CDCs to foster and reinforce the benefits of collaboration. One example is a collaboration of 10 Cleveland CDCs to encourage local and state policymakers to focus on the need for supportive policies and recapitalization resources to preserve the growing number of aging, low-income housing tax credit projects. The key lessons for Curry are that "strategic alliances work best when they are complementary and avoid overlap," and that "relationships and trust are critical in effective partnerships."

NeighborWorks Montana

BACKGROUND: In 1995, housing officials in Montana recognized that much of the state was devoid of services to help families become homeowners. The Rural Development Housing Services and the Montana Board of Housing approached the Neighborhood Housing Services of Great Falls, which was a very successful homeownership agency serving one county, and asked them to take their homeowner education and lending services statewide. The result, some three years later, was a new organization, the Montana Homeownership Network, which later became NeighborWorks Montana (NWMT). The mission of this new group was to set up a statewide system for delivering homeownership programs through a network of local nonprofit organizations.

COLLABORATION: The idea, in a nutshell, was for NeighborWorks Montana to provide centralized financial and fundraising capacity, while the local groups provided the direct customer services. Starting with eight partners, the effort has grown to include 26 organizations that currently provide homeownership services to all 56 counties in Montana.

According to Executive Director Sheila Rice, their delivery model capitalizes on the strengths of all its members, and that all members are equally important. "In a very rural state, it would not be possible for each local organization to fund and/or staff the financial and fundraising programs for their own organization." NWMT writes all the housing grant applications and passes the funds through to member organizations. They also help local groups raise funds locally to augment the statewide funds.

The collaboration maintains quality control by requiring that each local member meet the home education national standards set by NeighborWorks America, and requiring that they become certified through the NeighborWorks Training Institute within two years of joining the collaborative. NWMT is also a Community Development Financial Institution, and as such operates loan programs for down payment assistance and subordinate home mortgages. For member groups that develop housing, NWMT also provides predevelopment and construction loans.

The NWMT has two major accomplishments. The first is the pure production numbers and geographic coverage, with 4,132 homeowners assisted since 1998. In 2009, NeighborWorks Montana provided services to families in 53 of the 56 counties and assisted homebuyers in 34 counties. The second accomplishment, which is equally important but somewhat less tangible, is the new mindset of collaboration that permeates the nonprofit housing groups around the state. Rice points out that over time, participants have learned that by working together, they can have a greater effect than by working alone, and they can expand resources in the process. Further, people are coming forward with additional collaborative projects, such as a statewide land trust organization and centralized fundraising for Individual Development Account (IDA) programs (both in start-up phase).

According to Rice, the collaborative approach is more cost-effective than the old model. For example, by centralizing the lending function, each organization no longer needs their own licensed lender on staff, saving each of the participating organizations $2,000.

Rice describes NWMT as a collaboration of equals. Although one organization provides centralized services to its members, it could not accomplish its work without the local groups on the ground. The division of labor has been effective and has brought in more resources from foundations and others than any one group could have brought in on its own.

LESSONS: Rice has learned that it is important to look for willing partners. "Don't make anyone participate, or it won't be successful. Have clear standards for participation, and a process for exiting nonperforming partners." Although the common mantra is to "think outside the box," Rice sees NWMT as a collaboration of boxes, doing what they do best, and doing much more by working together.

Satellite Housing

BACKGROUND: Satellite Housing is a 44-year-old affordable housing development and service organization that has developed 25 housing projects with more than 1,600 units in the Bay Area of California. Their projects vary from senior housing to special needs housing targeted to unique communities, including deaf citizens and people with developmental disabilities. Satellite also provides property management, supportive services, transportation with a fleet of vans, and management agent services for nonprofits and public agencies. Founded as Satellite Senior Homes, the organization has used a partnership strategy to help expand their scope of work and service area beyond the initial service area of Berkeley and Oakland. They now serve the entire Bay Area and recently, the Central Valley of California.

COLLABORATION: Satellite Housing entered into an innovative partnership in 1999 with the Bay Area Coalition of Deaf Senior Citizens in Fremont, California, to construct supportive housing that caters to the deaf community. The California School for the Deaf is located in Fremont, and there is a large deaf community near the school. Satellite was able to use its development and management expertise to design and build a large number of affordable housing units oriented to the deaf community in Fremont. In one example, Satellite used visual technology to enhance the homes; lights flash when the doorbell rings or an alarm sounds. The Bay Area Coalition of Deaf Seniors helped recruit residents and recommended design issues that Satellite could accommodate.

Recently, Satellite partnered with American Baptist Homes of the West, a large senior living provider that serves the entire West Coast, to develop an affordable housing project in Modesto, California. Satellite is serving as the lead developer, and American Baptist Homes of the West will serve as the property manager and service provider given their significant management and program delivery capacity throughout the West. This partnership allowed Satellite to both expand its geographic area and expand on a relationship with a large, growing regional supportive housing provider, creating the possibility of future joint projects for both organizations.

Closer to home, Satellite is working with the Oakland Housing Authority to construct a low-income senior rental project near Lake Merritt, which is in downtown Oakland. Oakland Housing Authority has a good reputation, but like many public housing authorities, they have limited development experience and capacity. The collaboration enables Satellite Housing to become the joint developer of projects targeted to a low-income constituency and also opens up access to other sources of financing.

LESSONS: Ryan Chao, the Executive Director of Satellite Housing, notes "there has to be a compelling reason to partner, and that partnerships should not be created just to score more points on federal applications." He goes on to say that "partnerships always create more work, and they are time-consuming and complicated and require a blend of chemistry, shared mission, trust, and complementary roles and expertise." While he offers cautionary advice, Ryan sees partnerships as essential in the current funding environment, given that partnerships have become a significant development strategy for Satellite in the past few years, and into the future. Satellite is able to work with a wide spectrum of organizations, from special needs advocacy groups to large regional multistate, affordable housing developers and property managers, to public housing authorities. They have positioned themselves for continued growth and impact in the Bay Area and beyond.

Fairmont Collaborative Line (Boston)

BACKGROUND: The Fairmount Line Collaborative is an exciting initiative that brings together community development corporations (CDCs), community organizing and civic action organizations, and greenway and environmental organizations. The purpose of the Fairmont Collaborative is to reconnect transit stops and create economic opportunity in several low-income communities in Boston, notably Roxbury, Dorchester, Matapan, and Hyde Park. These communities lost direct train service to downtown Boston in the 1960s and 1970s, despite the fact that the majority of residents need and use public transportation.

COLLABORATION: The Fairmount Line Collaborative has been able to use its political power to gain approval for four new stations, providing critical transportation access for low-income residents in those communities. In addition, the train stations will spur new community development initiatives in affordable housing, commercial and industrial development, and open space. The challenge these communities may face in the near future is gentrification near the train stations owing to the close proximity to downtown Boston.

The first train station is under construction at Four Corners, and considerable development is also underway. The $150 million in public financing has already been secured through bond financing, which will be used for 800 units of affordable housing and 200,000 square feet of commercial space. The groundwork for the Fairmount Collaborative Line has been underway for several years and is heavily focused on organizing. Jeanne DuBois, the executive director of Dorchester Bay Economic Development Corporation, is a driving force behind the Fairmount Collaborative Line Initiative. According to DuBois, "organizing people and money, and that organizing and development have to be integrated," if an initiative of this magnitude is to succeed. DuBois takes pride that Dorchester Bay EDC has more organizers on staff than real estate developers, despite the fact that the CDC has ample development projects and a solid asset base.

Owing to broad local support, Fairmount Collaborative has generated significant attention from local, as well as national, funders. Because the initiative is large-scale and combines transit, affordable housing, and economic development objectives, it has become a national pilot for sustainable community work. Fairmount received one of the five national Housing and Urban Development-Environmental Protection Agency-Department of Tranportation sustainable pilot grants just awarded. DuBois points out that the hard work of organizing and planning has led to approximately $1 million per year in planning and a large pipeline of projects–despite the recession. This would not have happened without the involvement of many organizations and individuals.

LESSONS: Success depends on the considerable trade-offs between the partners and participating communities. Although a challenge, DuBois notes that the organizations are committed to the long-term vision of the Fairmount/Indigo Collaborative Line and accept that some of the projects will occur later than others. Initiatives of this magnitude do not occur in a vacuum, and DuBois was very concerned about the level of violence, especially youth violence in the Boston neighborhoods served by the Fairmount Collaborative Line. The community partners are coalescing around how to create jobs and work with ex-offenders to reduce violence in these neighborhoods.

The Fairmount Collaborative Line has broken new ground in terms of geography and community organizing, development, and environmental organizations working together to create a shared agenda for building power. It is a strong example of how collaboration and partnerships can lead to new resources, effectiveness, and impact, and should be closely studied over the next decade.

Partners for the Common Good

BACKGROUND: For 10 years, Partners for the Common Good (PCG) operated as a series of funds managed by Christian Brothers Investment Services, a socially responsible investment fund advisor. With most of its funding coming from religious investors seeking social impact, PCG's mission was to promote economic justice by lending to Community Development Financial Institutions (CDFIs) promoting affordable housing, community services, and microenterprise. When Congress passed the Community Development Financial Institution Act in 1994, it marked an important victory for the industry PCG had always supported. Yet it also set in motion radical changes in the world of community development lending. With CDFIs receiving new attention and financial support from government, banks, and foundations, PCG quickly found that their once highly sought "intermediary" loan products were no longer competitive. CEO Jeannine Jacokes explained that PCG had a choice: keep doing what they had always done but stay small with limited impact and diminishing sustainability, or reinvent itself within the changing market realities and develop strategies to help the CDFI field in new ways. They chose the latter.

After conducting analysis of the industry and market, PCG concluded that one of the key barriers preventing CDFIs from growing to scale quickly was a lack of industrywide infrastructure to aggregate capital, operate more efficiently, and collectively do things that no CDFI could do alone. Unlike traditional financial institutions that grow to scale quickly because of a highly developed, and often publicly supported infrastructure (e.g. secondary markets, access to affordable federal agency borrowing windows, deposit insurance, access to bond markets, bankers banks, corporate credit unions, correspondent lenders, loan syndication and participation networks), CDFIs have a very nascent industry infrastructure. This infrastructure deficit, coupled with the lack of industry standardization, limits CDFIs' access to equity and restricts how much debt capital can be leveraged for lending. This thus constrains growth, new lending, and sustainability.

COLLABORATION: PCG determined that it would focus on making a contribution to building some of the new tools needed to help CDFIs collectively do things that no one could do alone. Having reorganized as a nonprofit loan fund in 2001, it began making the transformation from CDFI intermediary lender to a wholesale loan participation network. To this end, it developed two-party and multi-party loan participation products. In this model, PCG brings additional loan capital, expertise to each transaction, and knowledge of other lenders that may be interested in helping to fund particular types of deal. At the same time, a network of partner CDFIs contributes local market expertise, serve as the primary underwriters, and manage the borrower relationship.

Although a participation loan can take a bit longer to close, the long-term benefits of leveraging funds is evident by the growth of PCG's business. Their program began in 2002 with one participation loan. In 2010, they planned to complete 20 transactions and have 26 active lending partners. Since they began the new approach, PCG's $21 million of investment has leveraged $56.4 million from partner CDFIs, and an additional $102.8 million from banks and other sources. The cost of operating the new program is on par with their direct lending model.

LESSONS: To be successful, the PCG collaborative model must rely on the performance of their partner CDFIs. According to Director of Lending and Network Services Kristin Faust, "the more you can sit down with your lending partner and walk through the potential scenarios, both good and bad, the better prepared you are and the better the deal works." PCG has also developed systems for screening partners when they start working with a new organization. Jacokes notes that the CDFI field is not standardized with regard to underwriting and portfolio servicing, and it is important that PCG is comfortable with their lending partners' skills in these areas.

PCG's goal is to continue to expand the program, with an ultimate goal of changing how capital is organized in the CDFI market. PCG has recently begun reaching out to investors interested in supporting CDFIs in new ways by purchasing loans or direct shares in targeted loan transactions. They have also begun to collect "social impact data" on the multiple benefits of their investments. In addition, PCG is developing an online tool to help all CDFIs match up with other lenders interested in supporting similar deals, as well as attracting investors interested in mission related Investing. Jacokes adds that, "To achieve a higher goal, you can't be hung up on doing everything yourself." And thus far, that approach is paying off.

Federation of Appalachian Housing Enterprises, Inc. (FAHE)

BACKGROUND: When Jim King became CEO of FAHE in 2003, he knew it was time to make some changes. To sustain operations and continue to attract funding and members, FAHE needed to do a better job of creating value for its members, including its best organizations. At the same time, it was apparent that FAHE's members were not meeting the demand for affordable housing in the region. In 2004, FAHE's members were producing about 2000 units of affordable housing per year, but the need was much, much greater. More than 50,000 homes in the region needed significant renovation and upgrading, and another 50,000 homes were overcrowded. Furthermore, one-third of renters and 17 percent of homeowners were cost-burdened, that is, paying more than 30 percent of their income for housing costs. If FAHE was going to make a dent in this problem, it could not continue business as usual.

According to King, FAHE works in a region that identifies with poverty and sometimes the nonprofit community takes on some of the characteristics of the impoverished, including disempowerment and the absence of hope or vision. When an organization is located in a community that is looking for someone else to provide the hope and vision, it is essential that the nonprofit organizations exercise leadership.

COLLABORATION: To address these challenges, FAHE sought a fourfold increase (to 8,000 units per year) in affordable housing units. As an early step, King worked with the board of directors and members to launch a new effort called "Achieve Your Mission"(AYM). The effort was modeled on the Achieving Excellence program designed by Douglas K. Smith and sponsored by NeighborWorks America and Harvard University. The AYM process helped member organizations create performance goals that stretched their abilities and impact. By focusing on a performance-based model, participants learned that rather than waiting for someone else to do something, they could set a goal and make the change happen. Twenty-two organizations participated in the program and 14 graduated.

Building on the AYM process, FAHE next took on the issue of scale as a network. At the time, most of their members were active in many lines of business, none of which were operating at scale. With the help of Douglas K. Smith, FAHE launched the Berea Compact, which included five initiatives: multi-family development, loan servicing, volunteer recruitment, manufactured housing, and mortgage broker services. The concept was to pick one member with a particular core competence to be the primary aggregator or distributor of the service for other members. The approach was to do a pilot project, standardize what worked, and then roll out the model at a larger scale.

Since 2004, FAHE increased investments from $7 million to $34 million per year, and housing production from 2,000 units to 4,100 units per year by 2009. Each initiative has a different scale potential, and it is important to be realistic about what can be achieved.

LESSONS: According to King, it is critical to spur people to come up with a vision that is bigger than their own organization. FAHE members all know the stretch goal of producing 8,000 units of housing per year, and the ability to rally around the goal helps everyone agree on the strategies to get there.

It is also critical to propose a goal where everyone can win. According to King, “At the onset, it is easy to see who the ‘big dogs’ will be, and the perception is they will just get bigger.” But everyone must benefit financially. That said, everyone also must have a financial obligation. “One reason collaborations fail,” says King, is “that not everyone has skin in the game and not everyone gets a reward.”

Success Factors in Collaboration

Research and practice has begun to identify critical factors of success for collaborative initiatives. Paul Mattessich, who has written several books on collaboration, noted in *Shelterforce* in 2003 that effective collaborations share authority, accountability, resources, and rewards. Successful collaborations should also increase the outcomes of the effort. Frequently in successful collaborations, the impact expands from neighborhood to city, city to region, region to multi-states, providing more opportunity for growth and further developing competencies and expertise of the partners in the collaboration. Creative thinking is key to approaching collaborative endeavors, leading to new ways of delivering a service or program by engaging new partners that represent a wide array of institutions and sectors.

As the case studies demonstrate, collaborations are a work in progress, and each one is unique. However, effective collaborations share a number of characteristics and strategies that can inform other efforts. Each of the collaborations described above have several common characteristics.

1. **A Common Vision That Is Performance-Driven:** Successful collaborations begin with a common vision and purpose that the leadership embraces, and that is explicitly tied to performance results. To arrive at a common vision requires significant investment of time upfront. For example, FAHE set an overall goal to increase housing production by member nonprofits from 2,000 units a year to 8,000 units a year. This very specific goal helped keep the group focused on the ultimate outcome.

   Key staff from different organizations must understand one another and build trust and relationships. As Kristin Faust of PCG noted, planning various scenarios with the involved partners helps anticipate what might go right and wrong. Leadership and management expertise is critical and may need to be expanded given that many of the benefits in collaboration are at the programmatic or initiative level and require an investment of time. As Hickman in her book, Leading Change in Multiple Context, notes, common vision in collaboration requires a “mindfulness” if partners are to understand the context for a collaboration and the consequences or costs in exploring the collaboration. Performance agreements are the underpinnings of an effective partnership, and they are key to steering the collaboration toward critical outcomes. The organizations in the partnership must understand what they are trying to achieve and who is responsible for which aspects of the ultimate goals. A key to successful collaboration is minimal overlapping expertise, with each member adding value based on competencies, resources, location, and relationships of the members. Getting more done by working together only works when the roles and responsibilities are clearly articulated, managed, and adjusted on the basis of compelling factors.

   Performance agreements are not cast in stone, and they change over the course of the collaboration. Outcomes and performance measurements hold the members of the collaboration accountable, leading to increased efficiency and impact. Each collaboration team should determine its own markers of success early on in the project and review them on a regular basis, and revise as necessary. These can include items such as committed leadership, to clearly defined roles of stakeholders, to shared decision making.

2. **Communication:** Ongoing communication is critical to the success of any collaboration, and the communication should not rely solely on emails, texting, or other impersonal methods. Personal communication is essential to the success of a collaborative since it provides a forum to discuss issues and build trust. External stakeholders also need to be regularly informed on the progress of the collaboration to keep them engaged and committed. Partnering organizations need to know one another, adopt a common language, and learn how to work together in a purposeful way. This occurs through relationship-building and through actual practice in jointly delivering performance.

   It is also important to understand the local environment given that some communities or organizations have an excellent reputation for collaboration and have built trust over time, while others may not have a strong track record or reputation for collaboration. Ryan Chao of Satellite Housing states that "partnerships always create more work, and they are time-consuming and complicated and require a blend of chemistry, shared mission, trust, and complementary roles and expertise." In these cases, it may take time and discipline to overcome the previous barriers and perceptions to cooperation.

   Collaboration cannot be forced. Every partner must be a willing, committed partner, and it is acceptable to postpone the decision if the collaboration is not ready. Rob Curry of the Cleveland Housing Network sums up the lessons of nearly 30 years of partnership development in Cleveland with the simple concept that "relationships and trust are the glue to effective partnerships."

3. **Everyone Wins:** Successful collaborations benefit everyone, from the "big dog" to the "small dog." Each member also understands the benefits of coming together, and that all must contribute toward the success of the collaboration. Sheila Rice of NeighborWorks Montana notes that one of their initial challenges was selling the value of collaboration to the potential network members, and convincing them that NWMT was not taking over their programs, but providing support in order to build new programs. To reinforce this message, NWMT agreed to split loan fees with the members to support their homeownership services. Patrick Morrissey of HANDS, Inc., suggests that "all members of the collaboration should have a financial stake in the partnership, so that one organization does not take all the risk. There has to be an equitable balance between the risks and rewards."

   Whenever possible, secure initial victories. Easy victories build momentum and commitment among the members. It could be as simple as a Memo of Understanding, or performance agreement among members, and shared resources identified among members. The old adage "first walk, then run" applies to sustaining a collaboration over time. The Cleveland Housing Network collaboration has evolved over 30 years and is able to respond to major challenges in the community from an increased homeless population to the current foreclosure crisis.

4. **Everyone Has a Stake:** In an effective collaborative, all parties should commit resources ideally through a binding performance agreement. This is true whether the collaborative is a joint venture agreement or a performance compact. Each organization in a collaborative, regardless of size, must commit resources to the collaborative effort in the form of funds, staff time, skills, and other in-kind support. The resource question should be addressed early in the collaborative effort. Organizations that have "no skin in the game" are less likely to stay in the collaboration and contribute to its success. Organizations need to understand that, particularly during the start-up phase, the collaboration will not save money and will likely need an influx of financial, human, and technical resources. Another challenge is the trade-offs between partners and participating communities. Jeanne DuBois of the Fairmont/Indigo Collaborative has argued that members of a collaborative "have to be committed to the long-term vision and accept the fact that some of the projects will occur later than others."

5. **A Champion:** Collaborations that succeed have a leader, or champion, who is committed to making the effort work. The Cleveland Housing Network has become increasingly concerned over the future of community development in Cleveland, and is collaborating with ten other CDCs to focus local and state policymakers on the need for supportive policies to recapitalize and preserve aging low-income housing tax credit projects. There can be more than one champion, but strong and strategic leadership must be present at all times. Jeanne DuBois of the Fairmont/Indigo Collaborative takes great pride in the fact that her CDC has more organizers than developers, and the central goal is "to organize people and money."

Showing why the benefits of partnerships reach beyond the confines of one organization is critical. As the new CEO of FAHE, Jim King saw the need to change his organization's business model to better serve members and the community, and he worked closely with members to become more effective, both individually and as a group. The most effective leaders in collaborations, as was clear in the case studies, are able to balance clear goals and outcomes for the collaboration with the ability to adapt based on the changing circumstances of the collaboration.

Conclusion

Organizations need to pivot and adopt a new way forward in today's environment of restricted resources, geographic and program overlap among organizations, and increased competition. But that does not mean they must start from scratch. Why reinvent the wheel when an organization or community can pursue a partnership or collaborative strategy and learn from the experience and creativity of others? Partnerships can introduce successful methods and resources as well as lessons learned from past mistakes. Mapping a future strategic direction built around new partnerships can lead to significant outcomes for one's community and its residents.

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__Dee Walsh__ has been the Executive Director of REACH Community Development since 1990. REACH has developed or preserved over 1400 units of affordable housing, revitalized residential areas and business districts and provided asset building programs and services to residents of REACH-owned housing. Ms. Walsh is responsible for the overall management of REACH, which has a staff of 85 and an annual budget of $10 million. Ms. Walsh holds a Masters degree in Urban Planning from the University of Washington and a certificate of completion from Harvard University for Achieving Excellence in Community Development. She received the Gretchen Miller Kafoury Award for Lifetime Achievement in Community Development, and the Fannie Mae Foundation's 2005 James A. Johnson Fellowship, which recognizes leaders in affordable housing and community development. Ms. Walsh currently serves on the board of the Housing Partnership Network. She is an adjunct instructor at Portland State University.

Appendix A: Sources Used

The Bridgespan Group, "Nonprofit M&A: More Than a Tool for Tough Times" (New York: February 2009).

Gerencser, Mark, Reginald Van Lee, Fernando Napolitano, and Christopher Kelly, *Megacommunities: How Leaders of Government, Business, and Nonprofits Can Tackle Today's Global Challenges Together* (New York: Palgrave, 2008).

GuideStar, June 2010 Survey.

Hickman, Gill Robinson, Leading Change in Multiple Contexts (Thousand Oaks, CA: Sage, 2009).

Wall Street Journal, Feb 2009.

Appendix B: Effective Collaboration Resources and Tools

There is a growing body of research, practice, and tools to enhance effective collaboration. Some of the most effective resources for community development practitioners include:

1. **Bridgespan Group** has published research reports on trends around partnership development and mergers among nonprofits, as well as how to scale and replicate initiatives. They describe the importance of networks, partnerships, and intermediaries.
   www.bridgespan.org/scaling-impact.aspx
   www.bridgespan.org/nonprofit-m-and-a.aspx

2. **Common Bond LLP** is a consulting firm that provides guidance and tools to leaders of nonprofit and social enterprise organizations interested in partnerships that lead to increased effectiveness and impact. Common Bond has developed the Common Bonder, a partnership identification tool that identifies partnership and collaboration opportunities among diverse organizations, as well as readiness factors. The Common Bonder also offers an asset map section that uses GIS technology to map partnership opportunities and communities that have a potential for more services and community development opportunities.
   www.commonbonderonline.net

3. **Non-Profit Finance Fund:** In addition to serving as a national community development financial institution (CDFI) for community facilities, the Non-Profit Finance Fund (NFF) offers research, training, and publications on topics from business restructuring for nonprofits to partnership and collaboration, including mergers and alliances. The group offers a recent publication on Mergers and Alliances by Thomas McLaughlin.
   www.nonprofitfinancefund.org/nonprofit-consulting/overview

4. **LaPiana Associates**, a California-based consulting firm has specialized in partnerships, collaborations, and merger-alliances with nonprofits for more than a decade. They recently published *Strategic Restructuring for Non-Profit Organizations, Mergers, Integrations, and Alliances* (Praeger Press).
   www.lapianaassociates.org

5. **The Achieving Excellence in Community Development Program:** Several of the groups in the case studies were participants in Achieving Excellence, which is a performance-driven organizational investment program for seasoned executive directors and senior staff in community development. The program is offered through NeighborWorks America's collaboration with Harvard University's Kennedy School of Government and program architect Douglas K. Smith, organizational performance and learning expert and author.
   www.nw.org/network/training/app/appae.asp

6. **The Collaboration Prize:** Sponsored and funded by the Lodestar Foundation, the Collaboration Prize was created in collaboration with the Arizona-Indiana-Michigan (AIM) Alliance and leaders in the nonprofit sector. It has attracted 644 nominations and yielded powerful models of collaboration. Recently, Lodestar Foundation has partnered with SeaChange Capital Partners to invest in transformational collaborative partnerships. SeaChange is managing the fund as the social investor.
   www.thecollaborationprize.org/About-the-Prize.aspx www.seachangecap.org/collaboration/

7. **Douglas K. Smith:** Smith is the architect of NeighborWorks America's Achieving Excellence program. He has also worked with others to use his architecture as a means to build both more effective nonprofits and as a basis for performance-driven collaboration. He works with a network of consultants and coaches skilled in this approach.
   www.douglasksmith.com

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