



THE EAST BAY  
COMMUNITY  
FOUNDATION

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# TOWARDS A JUST EAST BAY

Early Lessons Learned from  
EBCF's Change Journey

# ACKNOWLEDGEMENTS

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# ABOUT THE AUTHORS

[Frontline Solutions](#) is a Black-owned national consulting firm that delivers a full range of services in strategic and business planning, program design and implementation, research, evaluation, technical assistance, and community engagement. With 17 full-time staff spanning four cities (Philadelphia, PA, Baltimore, MD, Washington, DC, and Durham, NC), the Frontline team is comprised of organizers, scholars, strategists, artists, and coaches who are adept at utilizing consulting as a tool for social change. Frontline’s capacity is further augmented by a robust team of part-time subject-matter and technical experts.

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## INTRODUCTION

Over the past several years, the East Bay Community Foundation (EBCF) has been quietly doing something that is truly remarkable in the community foundation landscape: **implementing totally new ways of partnering with donors, social movements, and the community at large.** EBCF is serving as a testing ground for ideas that may also work in other areas of the country, proving that new funding models are both legally and logistically possible. This work has challenged long-held assumptions about what community foundations may allowably do, busting myths that are often used as excuses to maintain the status quo. As EBCF removes barriers, the question that remains for more risk-averse community foundations is not whether they are able to create transformational change, but whether they are willing to do so.

Perhaps most notably, EBCF has engaged in **direct campaign work** through lobbying and advocacy, going beyond civic engagement and voter registration to hold political positions on issues central to the prosperity of the East Bay. This new way of working allows the foundation to more adequately support movement and community priorities in the context of advancing political and legislative causes. Through the launch of the Accelerating and Stabilizing Communities through Equitable Nonprofit Development: Black-Led Organizations (ASCEND:BLO) program, EBCF has challenged the idea of universal, one-size-fits-all capacity-building strategies. The early success of ASCEND:BLO is a testament to the **power of targeted solutions** in addressing structural inequities.

EBCF understands that the value proposition of community foundations is shifting. The framework of community foundations has become less necessary for donors, thanks to new technology platforms that allow donors to navigate the technical aspects of giving in a matter of a few clicks. Nevertheless, the core benefit of the community foundation model continues to be a foundation's experiential, qualitative, and deeply personal knowledge of a specific community. EBCF has begun to engage donors in a dynamic process of leadership, training, and organizing by **inviting donors to partner with movements in their advocacy work.** EBCF realizes the fundamental importance of treating community as an equally-weighted stakeholder. Without the trust and support of community, the foundation would not have the capital to serve as a relationship broker and credible advisor to donors.

**Change is difficult, and requires risk:** reputational, relational, financial, and sometimes legal. Major organizational shifts inevitably bring challenges, struggles, and even failures. EBCF has been quick to own these shortcomings, knowing that they are part of the process of creating meaningful change. This report highlights several new initiatives that have recently been piloted by EBCF while remaining transparent about the lessons that the foundation has learned along the way.

**-THE FRONTLINE SOLUTIONS TEAM: KATRINA GAMBLE, MICAH GILMER, EMILY HYLTON, AND ZAID KHATIB**

# LOBBYING & ADVOCACY IN SUPPORT OF SOCIAL MOVEMENTS

“Simply defined, power is the ability to do work. When we’re locked out of city hall, we don’t have much power, but when we can negotiate on behalf of our communities with a transformational lens and change both the public narrative and concrete policies, that’s what we think of as power,” says Jessamyn Sabbag, Executive Director of Oakland Rising Action. In other words, the ability to directly advocate on behalf of communities and be engaged in strategic political campaign decisions is a fundamental component of building sustainable community power. However, those most directly impacted by inequity are often restricted to performing public education, which, while critically important, is nevertheless only one part of the work. Organizations have indicated that limiting their work to public education and non-lobbying activity often leaves them outside the room where important policy and political decisions are being made. As one leader said, “we are often seen as only the foot soldiers and not the strategic thinkers to lead the movement.”

When the East Bay Community Foundation decided to partner with community-led organizations working in communities of color to enact transformational change, it knew that explicit lobbying and advocacy activities should be a significant part of its approach to building community power. Yet how could it do so with a limited discretionary grantmaking budget and a relatively small endowment? How can a fundraising foundation deploy lobbying dollars when much of its revenues come from donor-advised funds as well as private foundations, both of which are prohibited from directly supporting lobbying activities? How could the creation of a lobbying vehicle best support the aims of community-led organizations and the movements they champion? These are the questions that EBCF asked in identifying how to best support systems change with low-income communities of color in the vanguard.

At the outset, EBCF worked closely with various legal experts, such as those with the Alliance for Justice’s Bolder Advocacy program, to understand how to create a pooled fund structure that would maximize flexibility to receive resources from a variety of sources. EBCF learned that the tax code allows private foundations to contribute, provided that the donations are not earmarked for lobbying.<sup>1</sup>

EBCF’s first experiment in this arena came in October 2017 in the form of the Early Childhood Progress Fund (“the Fund”), a pooled fund vehicle that would provide the space and resources for community-led organizations specializing in early care and education to engage in the full breadth of their work. What is particularly special about the Fund is that it was designed not only to deploy 501(c)(3) grants but also to maximize EBCF’s ability as a

public charity to lobby in support of community priorities. EBCF was able to work with a range of partners, including public and private foundations as well as corporations, to raise over \$1.2 million in 1.5 years to support community-led ballot measures on early child care and education.

The Fund generated resources for movement organizations who could now more holistically engage in ballot measures – primarily those related to early child care and education, but also those related to other community priorities. In 2018, for example, the Fund moved resources to support passage of the Measure A ballot initiative in Alameda County. Its passage would have raised \$140 million to provide additional resources for early child care and education for homeless families and children, increase access to affordable and quality child care and education to thousands of families on waiting lists, raise the wage for early educators, and otherwise improve early care and education in Alameda County. This is an incredibly pressing issue, as there are growing racial and economic inequities in early education readiness in Alameda County. While 82 percent of white students in Alameda County are kindergarten-ready when entering school, only 36 percent of African American and 29 percent of Latinx students reach this benchmark, and similar disparities exist across economic measures. Measure A was an opportunity to use government revenue to address this significant problem. While Measure A came short of successfully passing by just 1,500 votes, the effort built significant organizational capacity within the community-led groups that engaged in the campaign, developed strong public support for early care and education, and now serves as a model for how to run inclusive, community-led

<sup>1</sup> The applicable regulations provide that a grant by a private foundation to an organization described in IRC Section 509(a)(1), (2), or (3) (generally, a public charity) will not constitute a taxable expenditure by the private foundation as long as the grant is not “earmarked” to be used for any activity described in the taxable expenditure provisions of the Internal Revenue Code, including lobbying. There also may not be any agreement pursuant to which the private foundation may cause the grantee to engage in such an activity. A grant will be considered “earmarked” for these purposes if the grant is given pursuant to an oral or written agreement that the grant will be used for specific purposes.

ballot campaigns. As one donor to the Fund noted, “Children and child agencies don’t have deep pockets to fund campaigns, so it’s important to find creative ways like this [the Early Childhood Progress Fund] to get foundations to pool their money in order to get more government resources for this issue.”

One way EBCF helped support a more community-centered campaign was by moving early resources to organizations to conduct a massive listening session program. This program gathered community input in order to inform the development of the policy that ultimately reached the ballot.

Organizations hosted more than 100 listening sessions across the county, with dozens led by Parent Voices, a parent-led organization with deep ties to the community, particularly to low-income families and families of color. The listening sessions not only increased public awareness and support for the effort, but the perspective of families led to more equitable policy language. The organizations’ ability to initiate such a broad and diverse set of listening sessions was due, in large part, to the early resources channeled to them by the Fund. Typically, philanthropic investment during election cycles occurs right around Election Day, which can create a boom-and-bust scenario that leaves community-led organizations without

resources in the build-up or follow-up to a ballot campaign. The Fund also moved grants in a way that gave organizations the flexibility to use the resources as needed. As Amy Fitzgerald, Senior Program Officer at EBCF, says, “My orientation is to put resources into the field and let exceptional people do their work.” This flexibility in resources also helped organizations avoid the resource exhaustion often experienced by organizations

forced to grow quickly in response to campaigns. Organizations were able to invest in operations and other infrastructure in a way that allowed them to sustain their growth and actively organize after the election.

The Fund’s resources also allowed organizations to be active, consistent participants in strategic decision-making spaces throughout the campaign. Consultants and other political operatives hired to run ballot committees do not often find themselves sitting at the same table as community-led groups, which

led to some challenges. Despite that, grantees of the Fund indicated that early and consistent resources gave them more capacity and ability to assert their leadership in these spaces. The East Bay Community Foundation’s leverage as a funder was also helpful both in affirming the rights of community groups to weigh in on campaign decisions and in building alignment and leadership within campaign spaces.

**“Children and child agencies don’t have deep pockets to fund campaigns, so it’s important to find creative ways like this [the Early Childhood Progress Fund] to get foundations to pool their money in order to get more government resources for this issue.”**

**A DONOR TO THE FUND**

While there were some challenges associated with the campaign and the development of the Fund, EBCF’s strong relationships with philanthropic and community partners served to mitigate most of the difficulties, and previously-established trust between EBCF and private foundations proved crucial in navigating legal compliance conversations. Likewise, community-led organizations also indicated that they trusted EBCF to support them in leading the campaign, in part because the EBCF staff is comprised of individuals with strong connections to community organizing groups. While challenges arise in any cooperative philanthropic space, other organizations can take note of EBCF’s strategies and draw on strong relationships to effectively navigate these challenges. The overall sentiment from both funders and advocates engaged around the Measure A campaign is that it was an incredibly effective model that empowered community-centered organizations to lead in ways otherwise inaccessible to them without resources from the Fund. This model can be used on issues beyond early care and education, as demonstrated in the highlighted box on this page. As one funder noted, “Any time you can pool righteous forces for positive systems change, it is worthwhile.”

**City of Oakland – Measure Z**

Oakland voters approved Measure Z, which increases the minimum wage for hotel employees—a largely female, immigrant workforce – from \$13.23 to \$15.00 with healthcare benefits or \$20.00 without healthcare benefits. The measure also establishes workplace protections and additional enforcement procedures for employment standards applied to hotel and non-hotel employees.

**City of Berkeley – Measures O & P**

In response to the ongoing crisis of homelessness, Berkeley voters approved Measures O and P. Measure O authorizes the City to issue bonds to fund housing for low- and middle-income individuals and families, veterans, the homeless and other vulnerable populations. Measure P increases the real estate transfer tax, in part to fund homeless services.

**City of Richmond**

Kids First Richmond (Measures E, K, & H): The Kids First Initiative creates a dedicated funding source from the city’s general fund to support expanded services for youth and establishes a Department of Children and Youth within the city of Richmond. In November, Richmond voters approved Measure H, which increases the real estate transfer tax on luxury properties and provides the funding stream required for full implementation of the Kids First Initiative.

**State of California**

The California Schools and Local Communities Funding Act: Qualified the first-ever ballot initiative that would require commercial and industrial properties to be assessed at fair market value and reclaim \$11 billion every year to reinvest in local schools and communities. The measure maintains current protections for homeowners and renters, and includes small business tax relief, oversight, and accountability. For over 40 years, a corporate tax loophole has drained billions of dollars from California local schools and communities; this initiative would put California on par with how the vast majority of the country assesses commercial property.



## BUILDING DONOR LEADERSHIP

Like many community foundations, EBCF has a limited fund of discretionary dollars yet a substantial base of nearly 500 individual donors. Engaging individual donors is therefore critical in order to activate additional resources to support community-led organizations and social movements. This mobilization of power and capital towards communities requires a transformative approach to donor engagement. Although many advocates join social movements because of outrage over injustice, Mario Lugay of Justice Funders notes that the secret to keeping people engaged is something different: joy. “To sustain an individual’s impulse to do good over a lifetime, you need them to find joy and love for the community of people they create change with, to find joy and love for who they are as individuals, and to develop their sense of agency and purpose,” Lugay says. This principle applies to all community members, including donors, and serves as the basis for EBCF’s emerging work with donor organizing.

Donors are often asked to give money to leaders and activists for justice but are less commonly asked to *be* them. In considering its mission to create an inclusive, fair, and just East Bay, EBCF realized that donors in the area were an under-tapped resource. “Like many of us, donors in the East Bay have been feeling anxiety, isolation, and fear about what’s going on at the national and state level,” says Alexandra Aquino-Fike, Vice President of Development at EBCF. The foundation wanted to explore how to engage donors in a multi-directional, dynamic process. Within a donor-organizing framework, a donation to EBCF would be a bridge to greater involvement in local movements, campaigns, organizations, and communities – and to experience some of the joy that comes from creating change with a community.

Donor organizing is not new, and several innovative models have gained national attention in recent years. The Giving Project model, developed and evolved by philanthropies such as the Social Justice Fund Northwest and Headwaters Foundation for Justice, engages cohorts of donors in a six-month process of community building, grassroots fundraising, navigating power dynamics, learning, and action. The program has raised more than \$5 million from 8,000 people and has been a transformative experience for many of the donors involved. Wanting to learn from those who have paved the way in engaging donors, EBCF brought on Justice Funders to help develop a donor-organizing model and to integrate and apply learnings from other organizations that have long supported social movements, such as Resource Generation, North Star Fund, and the Chinook Fund. As an organization deeply rooted in the Bay Area but national in scope, Justice Funders saw a tremendous and unique opportunity in EBCF’s invitation to develop a donor-organizing model for community foundations – and they posited that EBCF’s change process provided a ripe moment to begin.

**“Like many of us, donors in the East Bay have been feeling anxiety, isolation, and fear about what’s going on at national and state level.”**

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ALEXANDRA AQUINO-FIKE,  
VICE PRESIDENT OF  
DEVELOPMENT AT EBCF



The Justice Funders team emphasizes that building an impactful, lasting donor-organizing program requires an ecosystems approach and a major organizational shift. “EBCF has a real opportunity to help donors become accountable and effective supporters, peer organizers, and leaders for a Just East Bay,” says Michael Gast of Justice Funders. “It is a big shift that will take significant internal change.” Together, EBCF and Justice Funders created a road map outlining the types of activities that EBCF could take to create a transformational approach: build up a base of donors aligned with the Just East Bay framework, develop donor leaders and ambassadors, convene local social justice donor education groups, and ultimately launch giving campaigns and other opportunities for donors to support community-led groups and movement campaigns. The development and program teams also must work hand-in-hand to ensure internal consistency in methods of funding and promoting community organizing. EBCF is engaged in numerous parallel and in-depth learning tracks that are building the bedrock for its entire staff to see themselves as donor organizers. These staff are being primed to activate EBCF’s donor base in support of social movements.

**“EBCF has a real opportunity to help donors become accountable and effective supporters, peer organizers, and leaders for a Just East Bay, “ says Michael Gast of Justice Funders. “It is a big shift that will take significant internal change.”**

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MICHAEL GAST OF  
JUSTICE FUNDERS

Donor organizing has yet to become mainstream practice, and few community foundations have taken steps to engage their donors’ full resources, skills, and networks in support of social justice movements. EBCF’s emerging work with donor organizing is unique and well worth following for several reasons. First, EBCF is deeply rooted in a sense of place and thus can offer donors the interpersonal relationships and closeness to community that national institutions cannot always provide. Second, like most community foundations, EBCF’s discretionary resources are limited, making its success in applying a donor-organizing approach tenable as a blueprint for how other community foundations may holistically engage donors to support social movements. Third, EBCF’s undertaking is not without risks. None of the foundations engaging in the Giving Project model of donor organizing possess assets under management at the scale of EBCF’s (currently valued at approximately \$400 million), and these foundations also have a long history of supporting social movements. They are not making the fundamental shifts that EBCF will make, moving from a donor services approach to one of donor organizing, and from a charity model to one that supports change led by marginalized communities.

Taking these risks is exactly what a community foundation like EBCF must do in order to truly support community-led transformation. Being an early adopter inherently requires moving forward with uncertainty in outcome, but EBCF is faced with a unique opportunity to create a pilot program that other community foundations can learn from. EBCF’s risk presents a huge potential gain for the world of place-based community foundations. Donors and other foundations have the opportunity to invest in EBCF as a north star of donor organizing in place-based community foundations. This emerging work – engaging donors’ full selves as leaders of their communities – has the power to build lasting, transformational funding and to advance justice far beyond the East Bay.

# CAPACITY BUILDING IN UNDER-RESOURCED COMMUNITIES

As a part of a new focus on uplifting disadvantaged communities to enact systems change, EBCF is engaged in deep capacity building in communities and geographic areas that have historically received little support from philanthropy. Such communities often have weaker nonprofit infrastructure overall, and they face particular infrastructure challenges related to community organizing and change-seeking social movements. Developing broad community power in the East Bay requires EBCF to provide culturally- and geographically-appropriate supports to strengthen existing local nonprofit organizations. EBCF hopes that increased stability will enable these organizations to engage their constituencies in important policy conversations. With this in mind, the foundation has developed the Accelerating and Stabilizing Communities through Equitable Nonprofit Development: Black-Led Organizations (ASCEND:BLO) program. The program is designed to strengthen Bay Area Black-led organizations (BLOs) and to establish a model for a community-centered capacity-building program that may be adapted for other marginalized communities and under-resourced areas.

A 2017 report by the Hill-Snowdon Foundation and Alliance for Black Foundation Executives indicates that less than two percent of funding by the nation's largest foundations is specifically targeted to the Black community. The authors argue that this pattern of neglect is likely worse for Black-led community organizing groups, given that organizing and advocacy account for a relatively meager proportion of overall giving. Lack of funding limits the ability of BLOs to build institutional power and help Black communities thrive. Byron Johnson, who leads the ASCEND:BLO program, says, "Going back thirty to forty years, there has always been a strong core of Black thought leadership in philanthropy and nonprofits in the Bay Area." Johnson points out that this history corresponds with the rise of the Black Panthers and a sense of Black unity, pride, and leadership development that has been core to Oakland and its surrounding areas. There is also a direct connection to today's movements such as Black Lives Matter and #metoo. In light of that legacy, a group of local and regional funders were alarmed at the closure of several prominent BLOs in the Bay Area in 2015.

In response to emerging research on the needs and opportunities of BLOs, this group of funders decided to take a capacity-building approach to support Bay Area BLOs, with the explicit desire to invest in race-conscious organizations that serve communities of color. The momentum and culture of the funders' collaborative was integral in setting the tone for ASCEND:BLO. Philanthropic foundations joined the collaborative with the intent of becoming multi-year investors and, along with other initial core funders, committed to raising at least \$1.5 million annually.

**"Going back thirty to forty years, there has always been a strong core of Black thought leadership in philanthropy and nonprofits in the Bay Area."**

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BYRON JOHNSON  
ASCEND:BLO

This circle has grown into a unique, diverse grouping of funders that includes private, family, and community foundations, local governments, and corporations. The collaborative uses consensus-based decision-making and serves as the governing body for the initiative. EBCF has intentionally created opportunities for funders to provide input on key decisions throughout the process.

Initially there was hesitancy and even resistance from potential funders (“Why Black-Led?”) which is consistent with the experience of many BLOs when seeking funding for similar efforts that address systemic inequities. Eventually, however, sufficient funding was secured to embark upon a design process steeped in cultural humility. All those involved in planning – including EBCF staff, consultants, evaluators, and funders – brought a race and equity lens to the project, as well as a spirit of affirmation and mutual respect. BLOs were consulted as the players who could best identify the resources and supports that would help them take their work to the next level. The design team recruited technical assistance providers and capacity-building experts who had extensive experience in working with BLOs. These members brought an understanding of the context in which BLOs operate and integrated a racial and equity lens into their work.

ASCEND:BLO officially launched in 2017. It has three components: 1) the BLO Network: comprised of all BLOs in Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara counties; 2) the BLO Accelerator, and 3) the BLO Stabilizer.

In the broader context of historical exclusion and structural racism, BLOs have been forced to compete with one another for resources, which has resulted in a “crabs in a barrel” mentality. Additionally, the failure of one BLO has often been seen as reflective of the entire community. Black leaders are placed under tremendous pressure to succeed and isolated from their peers, often at the expense of their own personal well-being. In the spirit of counteracting this harm, network-wide ASCEND:BLO events have focused on creating Black-centered spaces with atmospheres of love and support. Organizers have hosted these events in venues such as the African American Art Museum in San Francisco, selecting everything from the tablecloths to music and catering in celebration of Blackness and cultivation of Black joy. This atmosphere has been critical for healing and for building a community of power and pride among Bay Area BLOs. About half of the 260+ BLOs identified in the region have been actively involved in the ASCEND:BLO network.

The BLO Accelerator was launched in 2018 to reach community anchor organizations with a bold vision for growth, mission impact, and community transformation. The five-organization cohort was selected from 51 applicants and includes the African American Art and Culture Complex, the Hidden Genius Project, the Black Organizing Project, Roots Community Health Center, and the Community Housing Development Corporation. These organizations’ bold ideas for community transformation range from creating a center for Black joy in the Bay Area to developing a strategy for repurposing land owned by Black churches for sustainable community development. Johnson notes that a key approach to the Accelerator model was to actively engage participants in a co-design process: “The first Accelerator group agreed upon the values that they wanted to lift up in their cohort, and who they wanted to be in the group.” Three participants were included from each organization to help ensure that capacity would be built throughout the entire organization rather than via a top-down effort (such efforts, initiated by the executive director, reinforce the old “heroic leader” model). Accelerator organizations have taken ownership of the cohort experience, offering 100% attendance and full participation over five meetings. EBCF staff realize that this level of participation is a rarity in capacity-building programs and thus is evidence of a truly supportive Accelerator environment. Participants themselves have also indicated that the Accelerator experience has been uniquely valuable. “This Black learning community should serve as a model [to which] supporters and ally-funders can look when creating a space designed to support the most impacted communities first,” participants from the Black Organizing Project stated in a recent press release. “EBCF made sure to get it right, with community at the center, and spirit in mind.”

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#### BLACK ORGANIZING PROJECT PARTICIPANT

Current plans for the Stabilizer, which will launch in 2019, involve a five-organization leadership cohort that will meet intensively for six to nine months with a three-year follow-up period. Research on BLOs in the Bay Area has shown that only 24% of organizations have a succession plan, and few have had the time, resources, or personnel to cultivate a long-term leadership pipeline. The Stabilizer will therefore focus on supporting mature BLOs that are planning for leadership transition. These organizations will receive support before and during the transition to ensure stability and growth. Beyond the launch of the Stabilizer, EBCF is also planning the first ASCEND:BLO Network Summit and the onboarding of an Advisory Board in 2019.

ASCEND:BLO offers a multi-layered, values-based model intended as a case study for similar BLO or identity-focused initiatives in other regions.

“We are learning about how our experience could inform emerging work in other parts of the country and be helpful for other audiences – women, [Asian-Pacific Islander] leaders, Latinx leaders, etc,” says Constance Walker, President of Walker and Associates and consultant for ASCEND:BLO. ASCEND’s explicit attention to race has allowed for targeted supports that are provided by and for Black organizations and are grounded in a sense of power. “For philanthropy, putting race in the center is disrupting business as usual,” says Shiree Teng, ASCEND’s external evaluator. She explains that Accelerator and BLO network-wide events have fostered an environment where Black leaders can bolster their capacity and networks and do not have to talk in code. “Here,” Teng says, “there is an opportunity to acknowledge structural racism and create a space of Black power, joy, and palpable connectedness.”

**“For philanthropy, putting race in the center is disrupting business as usual.”**

**SHIREE TENG  
ASCEND EVALUATOR**

## FUNDING FOR ASCEND:BLO

**\$10  
MILLION**

Capitalized at \$10 million over seven years

**\$2.7  
MILLION**

Initial investors made multi-year commitments of at least \$1,500,000; a total of \$2.7 million has been invested to date

Investors include: Cestra Butner, The East Bay Community Foundation, The Akonadi Foundation, The County of Alameda, The San Francisco Foundation, The Kapor Center for Social Impact, The Y & H Soda Foundation, The California Endowment, The Walter and Elise Haas, Sr. Fund, the California Wellness Foundation, The Millikan Family Fund, The Sobrato Family Foundation, The Ellebie Mathis Fund, The Raiders Foundation, US Bank

## ASCEND:BLO TIMELINE

**2015**

“Black-Led Organizations (BLOs) in the Bay Area” report is released; Funder Collaborative forms

**2016**

Research, planning, fundraising, and discussions on developing the structure and function of ASCEND:BLO

**2017**

ASCEND:BLO officially launches; Capacity Building Initiative Officer hired

**2018**

Two network-wide events are held; First Accelerator cohort

**2019**

Launch of Stabilizer cohort planned; First ASCEND:BLO conference planned

## KEY COMPONENTS OF THE ASCEND:BLO INITIATIVE

### BLO NETWORK:

Provides peer networking, learning, and community building to all BLOs in the Bay Area. Supports have included:

- Access to networking events, workshops, speakers, and other resources.
- Individual support from capacity builders and technical assistance providers in marketing, resource development, fundraising, sustainability, and strategy.

### BLO ACCELERATOR:

An intensive, six-month program for a cohort of five anchor institutions that have a vision for growth, promising ideas, and a willingness to work in new ways to catalyze personal, organizational, and community change. Key features include:

- An initial \$25,000 stipend, three years of investment, and ongoing capacity building support.
- A series of five in-person meetings that include coaching, technical supports, and opportunities to pitch ideas to funders.

### BLO STABILIZER:

A three-year cohort learning program for mature community anchors designed to minimize risk and maximize transformational opportunities. Key supports include:

- Leadership development, board recruitment, advanced training, succession planning, strategic planning, and executive search.
- Mentorship, coaching, and technical supports to assist the outgoing leader, senior management, board, and incoming leader in managing change.

# INSTITUTIONAL ASSETS AS COMMUNITY ASSETS

**W**hen demonstrating evidence of social and economic impact, foundations routinely point to grantmaking as the primary indicator of success. However, only 5 to 10% of a community foundation's assets are distributed by grants each year. Where and how the remainder of the foundation's assets are invested can greatly increase impact – or actively go against the institution's mission. “Up until a few years ago, EBCF primarily made investments based on projected financial returns and selected investments that offered the highest risk-adjusted rate of return,” explains Ed Harris, Chief Financial Officer at EBCF.

In early 2018, Harris and his team realized that the foundation was missing an important criterion in its investment philosophy. EBCF had no women or minorities managing its portfolios, and its \$4.5 million environmental, social, and corporate governance (ESG) pool had not shown much growth in the number of donors or assets in its three-year existence. Recognizing this missed opportunity, EBCF made the strategic decision to better align its financial resources and decisions with the foundation's broader values and mission. “We now factor in the social impact of our investments in addition to looking at them from a purely financial point of view,” explains Harris.

In 2018, EBCF began a series of steps to ensure that its financial investments align with its values. The foundation's investments committee updated its policy to require that minority and/or women-owned business enterprises (MWBE) receive an equal opportunity to be hired as managers for EBCF's investment portfolios. The foundation plans to continue increasing its relationships with new MWBE firms in its main pools. EBCF also recognizes that traditional consultant firms restrict the investment managers that their consultants can use. This qualifying process has limited MWBE firms to 2% of assets under management nationally. EBCF decided to utilize 25 to 50% of its discretionary endowment to create an Opportunity Pool for emerging managers. EBCF is also hiring an environmental, social, and governance (ESG) consultant to commence a process in which staff and board members develop a social values statement that can be used to screen investments. This process and subsequent screening will help ensure that EBCF's investments are aligned with its mission.

Finally, EBCF decided to invest 15% of its money-market-equivalent pool in certificates of deposit (CDs) held by local community banks and credit unions. The majority of these financial partners are community development financial institutions (CDFIs) that provide loans to underserved communities typically overlooked by commercial banks. In the second quarter of 2019, EBCF is planning to re-launch its investment strategy and is currently determining how impact investments may be leveraged as a point of differentiation for EBCF as a philanthropic partner. “Overall, what most energizes me is our plan to link program, finance and operations, and investment management in a coherent strategy and as part of the EBCF brand,” says Rob Davenport, Board Member at the foundation.

**“Overall, what most energizes me is our plan to link program, finance and operations, and investment management in a coherent strategy and as part of the EBCF brand.”**

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**ROB DAVENPORT**  
EBCF BOARD MEMBER

# CREATING CONDITIONS FOR ORGANIZATIONAL TRANSFORMATION

**W**hen I joined the East Bay Community Foundation as its new President and Chief Executive Officer in 2014, I brought a vision to respond more directly to community and movement priorities while striving to make a long-term impact on racial equity. Such a transition is certainly not easy. It entails working to realign, transform, and create new structures and processes to further solidify our role in achieving an inclusive, fair, and just East Bay. Although this work is ongoing at EBCF, we have learned several lessons along the way that are worth sharing with other institutions seeking to embark on a similar transformation.

First, it is critical that a foundation's staff and board reconcile with what will otherwise become an elephant in the room: that there is an inherent contradiction between the history of philanthropy and social justice values. It requires embracing an organization-wide transformation away from perpetuating the accumulation and preservation of wealth to furthering democratization of power and economic control to communities.

EBCF believes that social movements led by directly impacted communities will ultimately be the most effective drivers of change. As a community foundation, we enjoy deep roots in community and proximity to on-the-ground, community-led organizations. But as a philanthropic institution, we must acknowledge that at times we further entrench power imbalances that were born out of patriarchy and white supremacy. Traditionally, foundations control resources and make decisions about which community services, activities, and leaders are considered worthy of receiving supports. Therefore, any foundation seeking to transition towards an activist orientation must prioritize staff discussions about philanthropy and the principles of social justice activism early on in the transition process. At EBCF, our new orientation has required us to change how we do business. Our commitment to justice has led us to re-assess and reorient our structures, practices, and policies on how we relate to community and our donors. At the same time, we have had to balance our justice-focused aspirations with the practicality of maintaining efficient decision-making structures and the long-term sustainability of the foundation.

As an organization moves towards aligning mission and vision with social justice values, management must be prepared to assess the capacity of the staff and board to make that shift. Those without a background in organizing or advocacy may initially experience a culture shock. They may struggle more with the transition than their colleagues who are more experienced in a systems-change orientation. It is therefore crucial for management to identify training and support needs for the staff and board at the beginning of the transformation process and to cultivate learning and skills development. In order to take ownership of organizational shifts, staff and board members must be well-equipped to help drive change, regardless of their roles within the foundation.

We have also learned at EBCF that organizational culture is fundamentally important within the context of a transition. We have continually asked ourselves

several key questions. First, what defines a strong organizational culture? EBCF has learned that words are particularly important. Each organization must be clear about its internal definitions of terms such as "social justice," "movements," and "community organizing." Second, who is invited to be part of setting organizational culture? Shifting culture typically requires an intentional, daily effort throughout every corner of the organization. All staff must be enlisted to communicate and reinforce new beliefs, values, norms, and habits.

Finally, change necessitates risk-taking – every new initiative brings some level of uncertainty in outcome. There is often concern that changes will jeopardize long-standing relationships with donors, grantees, staff, or other partners. Although transformation can be scary, EBCF has found that it also brings the opportunity for organizational and individual learning and growth. Humans learn best experientially, by doing. Foundation leaders should encourage staff and board members to take risks and to be comfortable with learning from failure. We have found that there is wisdom in piloting new work in phases, to allow time and space for course correction and iterative learning.

Our path towards building a justice-focused identity has richly increased our knowledge and capacity as an institution. Several years into our organizational realignment, we are proud to share visible examples of EBCF moving into a new vision: the launch of ASCEND:BLO to support Black-led organizations, the establishment of the Early Childhood Progress Fund to provide resources to policy-focused campaign initiatives, and recent forays into mission-aligned investment and donor leadership. We are continuing to define what our future looks like as we celebrate our successes, learn from our failures, and make adjustments to ensure that we are continually moving towards a just East Bay.

**James W. Head**  
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**East Bay Community Foundation**



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