



SOCIAL POLICY RESEARCH  
ASSOCIATES

---

## **Building Together: A Final Report of the Community Leadership Project Regranting Strategy**

Final Evaluation Report

June 23, 2014

Prepared for:

Kathleen Reich  
Director of Organizational  
Effectiveness Grantmaking  
The David and Lucile Packard  
Foundation  
300 Second Street, Suite 200  
Los Altos, CA 94022

Connie Malloy  
Senior Program Officer  
James Irvine Foundation  
575 Market St., Suite 3400  
San Francisco, CA 94105

John McGuirk  
Program Director, Performing Arts  
Program  
William and Flora Hewlett  
Foundation  
2121 Sand Hill Road  
Menlo Park, CA 94025-6999

Project Number: 4465

1330 Broadway, Suite 1426  
Oakland, CA 94612  
Tel: (510) 763-1499  
Fax: (510) 763-1599  
[www.spra.com](http://www.spra.com)

**Prepared by:**

Jennifer Henderson-Frakes  
Traci Endo Inouye  
Castle Sinicrope  
Hanh Cao Yu, Ph.D.

# CONTENTS

---

## EXECUTIVE SUMMARY

<b>I. INTRODUCTION .....</b>	<b>1</b>
<b>II. CAPACITY-BUILDING APPROACHES AND LESSONS OVER TIME .....</b>	<b>4</b>
Review of CLP 1.0 Regrants and Previous Capacity-Building Lessons .....	4
Learning from CLP 1.0 Regranting Approaches .....	6
Implications .....	12
<b>III. CLP 1.0 COMMUNITY GRANTEE OUTCOMES .....</b>	<b>13</b>
Overview of Community Grantees .....	13
Framework for Analyzing Changes in Grantee Capacity .....	15
Overall Findings .....	17
Analysis of Change by Capacity Area .....	20
Characteristics of Success .....	27
Implications .....	31
<b>IV. INITIATIVE-LEVEL OUTCOMES AND LESSONS FROM CLP 1.0 .....</b>	<b>33</b>
Initiative-Level CLP 1.0 Outcomes .....	33
Initiative-Level Lessons from CLP 1.0 .....	36
Implications .....	41
<b>V. SUMMARY OF IMPLICATIONS .....</b>	<b>43</b>

## APPENDICES

**APPENDIX A: CLP 1.0 LOGIC MODEL**

**APPENDIX B : MEASURING ORGANIZATIONAL CAPACITY**

## Executive Summary

The Community Leadership Project (CLP) is a collaborative effort between the David and Lucile Packard Foundation, the James Irvine Foundation, and the William and Flora Hewlett Foundation to build the capacity of small, community-based organizations serving low-income people and communities of color in three regions of California: the San Francisco Bay Area, the Central Coast, and the San Joaquin Valley. The first phase of CLP (CLP 1.0)—a \$10 million, three-year effort launched in 2009—was focused on experimenting with a range of capacity-building models in the interest of learning and refining the CLP approach to strengthening organizations and leaders. The CLP 1.0 regranting strategy—representing the greatest area of CLP investment—awarded resources to 12 regranting intermediaries (regrantors) to provide core financial support and organizational development assistance and coaching to 100 organizations (“community grantees”) in the three targeted regions.

Social Policy Research Associates’ (SPR) evaluation of CLP 1.0 focuses not only on understanding the impact of CLP on community grantees and other stakeholders, but also on distilling key lessons on effective capacity-building approaches for leaders and organizations serving low-income communities and communities of color. This report, which serves as SPR’s final evaluation report for CLP 1.0’s regranting strategy,<sup>1</sup> is concerned with understanding: (1) regrantors’ capacity-building approaches and lessons over time; (2) changes in capacity and outcomes at the community grantee level; (3) outcomes at the funder and intermediary levels; and (4) lessons and implications of CLP 1.0 design and implementation for the larger philanthropic field.

## Capacity-Building Approaches and Lessons Over Time

Lessons on regrantors’ capacity-building approaches reflected the need to respect not just the culture of the communities being served by the community grantees, but also the culture of small grassroots organizations. These lessons fell in several key categories, most notably in: outreach and readiness, and effective relationships and accessible resources.

---

<sup>1</sup> For final outcomes and learning on the other CLP 1.0 strategies, please see: *Learning Together: A Final Evaluation Report for the Community Leadership Project’s Technical Assistance Strategy*, (July 8, 2012), Social Policy Research Associates and *Leading Organizations to Benefit Low-Income People and Communities of Color: Color: Findings from the CLP Leadership Strategy*, (December 17, 2013) Leadership Learning Community & Social Policy Research Associates.

## Outreach and Readiness

- **Local networks were a key element of funders’ and regrantors’ outreach strategies as well as an indicator of community grantees’ readiness for capacity-building work.** CLP funders and regrantors alike relied on partners and local networks to effectively reach potential community grantees. The extent to which a community grantee had access to a local network of peer organizations was also cited as an indicator of readiness to engage in capacity-building work.

## Effective Capacity-Building Approaches



Tapping into local networks as an outreach strategy



Involving a deep bench of organizational representatives as a sign of readiness



Using regrantors as a critical “gateway” for resources and building social capital



Creating peer networks to facilitate future support and resource sharing

- **Early “deep bench” involvement was a sign of community grantees’ readiness for capacity building.** Community grantees that involved a deep bench of organizational representatives early on—particularly during an assessment phase—indicated a critical level of readiness and were more likely to fully engage in the organizational change process. Deep-bench involvement also facilitated regrantors’ comprehensive understanding of organizational needs and plans.

## Effective Relationships and Accessible Resources

- **Regrantors served as a critical “gateway” for resources beyond CLP for community grantees.** Community grantees began to see regrantors as larger resources and as “gateways” to other forms of support beyond the CLP grant. Regrantors serving in this larger capacity meant not only providing advice, feedback, and mentorship, but also proactively informing community grantees of potential opportunities and serving as a working partner who was genuinely invested in community grantees’ goals. Besides access to outside resources (such as trainings) and additional funding opportunities, regrantors have also facilitated increased visibility and exposure through various means such as the media and introductions to influential individuals. The larger resource role that regrantors played was particularly suited to small intermediaries and was especially critical for small community organizations located in relatively isolated areas.
- **Creating peer networks was extremely beneficial for community grantees and helped inform regrantors’ approaches as well.** Creating space for community grantees to interact and support one another led to multiple benefits and was an increasingly emphasized strategy for some regrantors. Peer networks were used to engage community

grantees, foster relationships, share stresses and advice, and facilitate resource sharing. Peer networks also allowed regrants to acquire a better understanding of organizations and their contexts to inform capacity-building approaches.

Overall, we found that the promising practices highlighted in the Mid-Point CLP Regranting Strategy Evaluation Report<sup>2</sup> continued to resonate over time. These included: (1) a mix of broad and customized support; (2) flexibility and adaptability to “meet grantees where they are”; (3) movement away from outcome-driven expectations and comfort with a non-linear process; (4) balance between grantee self-determination and realistic levels of direction; (5) asset-based orientation and attention to assumptions about who holds expertise; and (6) intentional focus on building organizational social capital. By the close of CLP, we saw an increased emphasis on aspects of regranting practices that extended beyond the grant itself—such as facilitating access to tools, resources, and networks that could be leveraged to further organizational goals and sustain capacity-building investments.

## **CLP 1.0 Community Grantee Outcomes**

The 100 community grantees supported through the CLP 1.0 regranting strategy—while diverse in terms of annual budget, focus, and population served—were united by the critical role that they play within their respective low-income communities and communities of color. How did the CLP 1.0 investment strengthen these organizations’ capacity to carry out their critical missions?

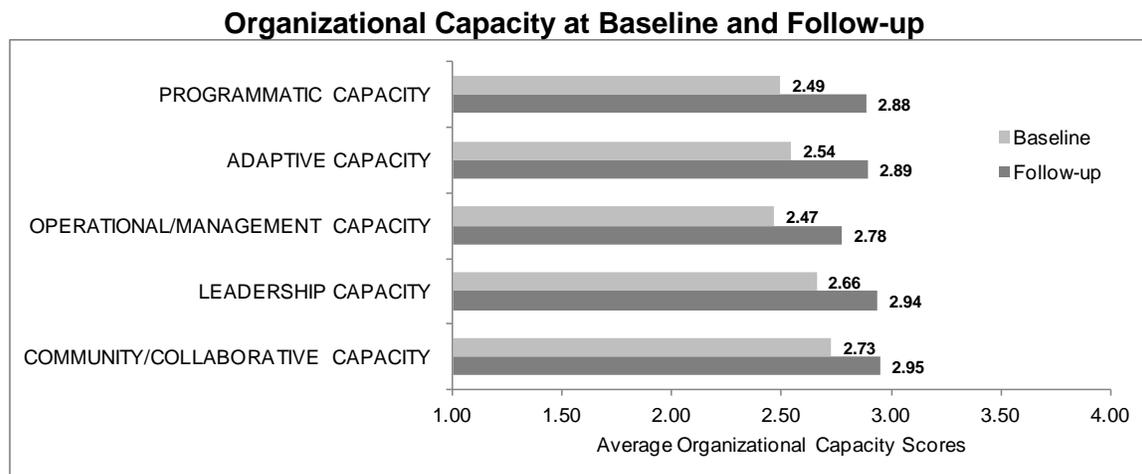
To address this question, SPR assessed the organizational capacity of community grantees at two points in their grant cycle: in spring 2011 (as a proxy baseline when the CLP 1.0 evaluation was launched) and at the close of their grants in 2012 to 2013. Organizational capacity was measured in five core capacity areas made up of 22 sub-measures theorized to be critical elements for stability and growth, including: leadership capacity; operational/management capacity; adaptive capacity; programmatic capacity; and community/collaborative capacity. Changes in capacity were primarily assessed using the My Healthy Organization© (MHO) assessment, which asks respondents to rate their organization along a four-level continuum of organizational development.

Ultimately, as shown below, grantees exhibited growth in all capacity areas, with *programmatic* capacity representing the strongest area of change, and *community/collaborative* capacity representing the lowest. Although cohort-wide averages increased in all five capacity areas, on

---

<sup>2</sup> *Building Capacity Through a Regranting Strategy: Promising Approaches and Emerging Outcomes* (June 19, 2012), Social Policy Research Associates.

average, scores remain just below Level 3, which is generally defined as “organizations with moderate levels of capacity and structure in place.”



An analysis of change by organizational characteristics revealed that community grantees with medium-sized budgets (\$100,00-\$500,000) showed increases in all capacity areas and sub-measures, suggesting that they might have been better positioned to maximize CLP funding and supports to increase their organizational capacity. Community grantees serving the Bay Area similarly exhibited positive growth for all capacity areas and sub-measures, suggesting that regional differences (such as geographic dispersal of organizations, availability of capacity-building resources beyond CLP, and/or the infrastructure of regional non-profit support) may influence an organization’s ability to effectively leverage capacity-building support.

Descriptions of growth within the five capacity areas are provided below.

- **Programmatic Capacity.** As one of the lowest capacity areas at baseline, programmatic capacity showed the greatest increase over time, particularly in the sub-measures of program delivery and program staff management. Examples of how community grantees developed and expanded their programmatic capacity included: grantees *engaging in program planning for both new and existing programs*, and *implementing new programming*.
- **Adaptive Capacity.** The area where CLP 1.0 community grantees showed the second greatest increase was adaptive capacity. Examples of how community grantees developed and expanded their adaptive capacity included: *navigating organizational change* as part of their funded work, *engaging in strategic planning* to ensure the long-term sustainability of their respective organizations, and—most frequently, by *developing new and innovative fund development strategies* to respond to a challenging economic environment.
- **Operational/Management Capacity.** Although operational/management capacity remained the lowest area at follow-up, community grantees showed meaningful growth for several sub-measures. In particular, grantees were stronger in developing their staff and ensuring a team-based management structure.

Approaches to staff development included both *internal strategies for training and retaining staff* and *efforts to engage and recruit new staff*. Community grantees also investing in strengthening organizational infrastructure, particularly in the areas of *facilities* and *technology*. Although financial sustainability and diversified funding remained an elusive goal for many community grantees at the close of CLP 1.0, most regrantors described *increased capacity in fundraising and fiscal management* within their portfolios.

- **Leadership Capacity.** This capacity was one of the areas where community grantees demonstrated relative strength at baseline. Given the higher initial scores, we did not see as marked growth in this capacity area as in others. The most often cited change centered on *more educated and engaged boards* as a result of board development efforts supported through CLP 1.0.
- **Community/Collaborative Capacity.** Given that this is where community grantees also naturally demonstrated strength coming into CLP 1.0, this is where community grantees reported the smallest amount of growth. Examples of growth in community/collaborative capacity included community grantees: *engaging their community in an advisory capacity*, *strengthening community outreach capacity*, and *connecting with other organizations* both within and outside the CLP network.

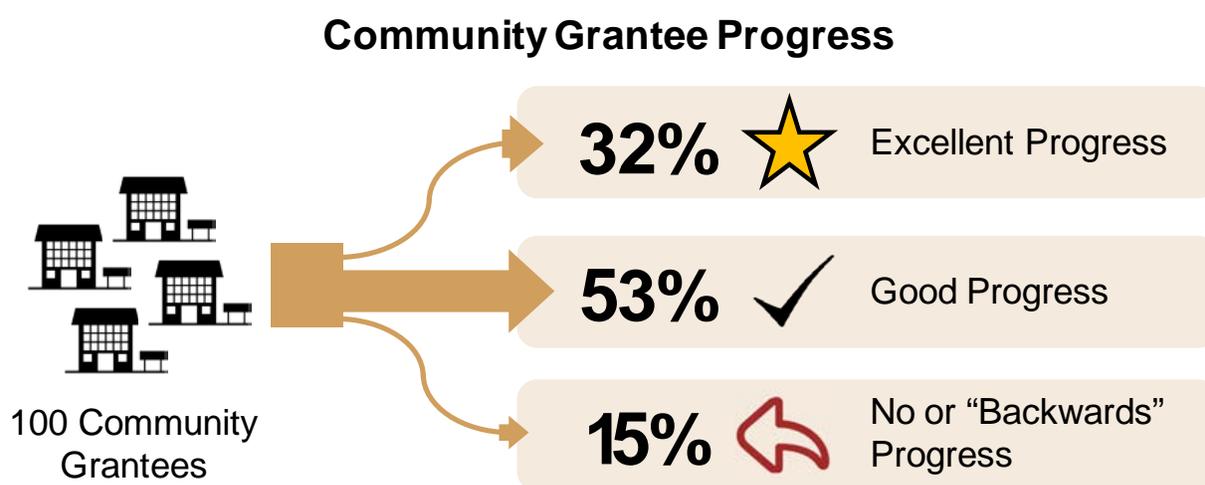
While the different capacity areas are neatly separated in the quantitative data, the qualitative data suggest greater complexity as key areas—such as fundraising and board development—were interrelated in considering how organizations benefited from the CLP investment.

**Organizational Social Capital.** While the outcomes described above are evidence of how the CLP investment has led to changes in organizational capacity, we observed another level of impact not originally anticipated. By virtue of receiving capacity-building support, organizations reported gaining a level of “organizational social capital,” defined as established, trust-based networks among organizations or communities that an organization can use to further its goals and sustain its capacity-building investment. Examples of such capital were greater exposure to other funders, new relationships with capacity-building consultants, and improved relationships with other organizations serving similar communities.

## Characteristics of Success

Regrantors were asked to categorize their community grantees into three groups. A majority (53 percent) of community grantees were described as leveraging capacity-building investments to make “good progress” over the course of CLP 1.0. A much smaller slice (15 percent) was comprised of those community grantees that either made no progress or “backwards progress” despite CLP capacity-building investments. Included were organizations that closed their doors, struggled to keep up with IRS requirements (and ultimately lost their nonprofit status), or who could not recover from the loss of organizational leaders or major funding sources. Finally,

regrantors identified real “success stories” within their portfolios—representing just over 32 percent of the overall CLP 1.0 portfolio.



Across these success stories, a common theme centered on community organizations that were not only able to build some aspect of their capacity through CLP, but were also able to also leverage this heightened capacity into additional funding. Regrantors also stepped back to reflect on the characteristics of organizations that seemed best positioned to benefit from capacity-building investments. Common themes included: (1) committed organizations with a vision for capacity building; (2) organizational leaders prepared to serve as stewards of organizational change; (3) organizations with shared leadership models in place; and (4) organizations with strong community buy-in that could be leveraged to ensure organizational sustainability. These characteristics appeared to make some community grantees more poised to succeed than others. While these organizations may have very well survived without CLP, they may not have thrived in the way that they did with access to CLP resources and tools.

## Initiative-Level Outcomes

While the ultimate beneficiaries of CLP were community grantees, the evaluation has also captured a number of powerful outcomes beyond those originally anticipated. Regrantors reported the following changes to organizational attitudes and practices:

- Increased attention to regrantors’ own organizational development practices;
- Application and sharing of CLP tools and lessons to other areas of work;
- More intentional grantmaking practices to help grantees begin new work with a capacity-building lens;
- Deeper relationships with communities of color;
- Taking nonprofit support to a greater scale.

The CLP funders similarly described outcomes of their participation, including the engagement of colleagues on key CLP lessons and application of CLP lessons to other grantmaking initiatives targeting underserved communities—with both having implications for sustaining the work of the initiative.

## **Initiative-Level Lessons from CLP 1.0**

As a tremendously complex initiative, CLP 1.0 provided some important initiative-level lessons, many of which have already been integrated into the design and implementation of the second phase of CLP:

### *Lessons on CLP 1.0 Design*

- Using a geographic or regional approach as a design parameter can be less controversial than targeting specific issue areas or racial/ethnic groups, but also challenging from an equity point of view.
- Large-scale, complex initiatives such as CLP require upfront infrastructure to support coordination across regions.
- Although funding strategies may be conceptually separate in an initiative’s design, on-the-ground implementation requires attention to integration.
- Evaluation is a critical element to include from the very beginning.

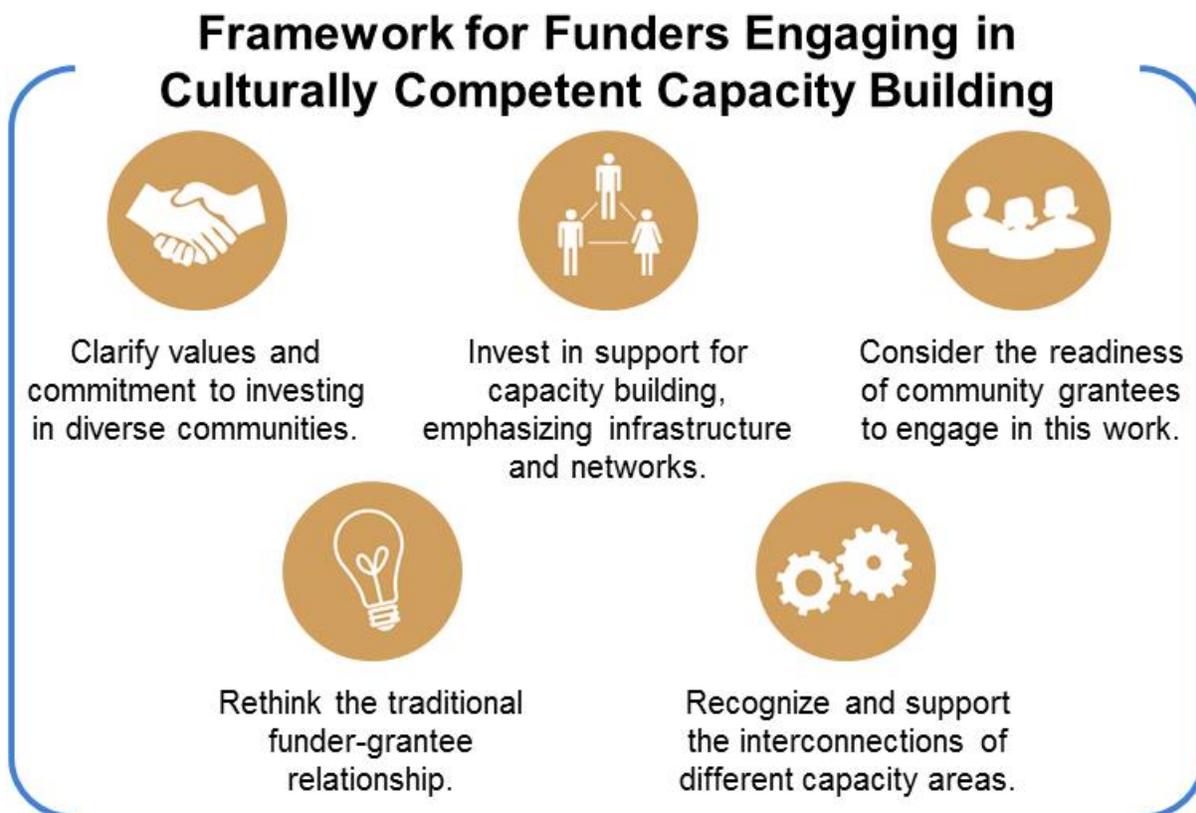
### *Lessons on CLP 1.0 Implementation*

- Transformative work with communities begins with funders’ willingness to experiment, learn, and foster direct communication.
- Attention should be paid to the guidance needed by different types of regrantee intermediaries.
- Ongoing and intentional sharing of promising practices may lead to replication and adoption in other regions.
- The intersection of race, ethnicity, culture, and class in communities of color can be challenging to address head on in capacity-building work.

Finally, the implementation of CLP 1.0 also offered lessons related to effective funder collaboration. Characterized by preexisting relationships, mutual trust, and openness to risk-taking, the three foundations enjoyed a great deal of success in collaborating on CLP 1.0. Among others, key facilitators to this success included the engagement of foundation presidents, the empowerment of senior program staff to execute the work with sufficient resources, and the ability to establish common grant management processes. Challenges to inter-foundation collaboration included insufficient time and staff to manage the complexity of the initiative, and the need for the funders to be more nimble in responding to what regrantees were learning about modifications needed to their work.

## Summary of Implications

Synthesizing implications across chapters, we can see some clearly defined points in an emerging framework for culturally competent capacity building. This framework should be useful not just for the CLP initiative, but also for a larger philanthropic audience interested in working with small organizations serving low-income communities and communities of color.



First, foundations need to be clear about their **commitment to and values behind investing in diverse communities**. Respondents affirmed the need for funders to clarify the values and reasons for engaging in an initiative focused on low-income communities and communities of color, and the extent to which this work is different from other capacity-building efforts. At the same time, funders need to be comfortable taking risks and letting go of pre-defined indicators of success.

Funders must also be prepared to **invest in support for capacity building, emphasizing infrastructure and networks** from the onset. This covers the infrastructure of the initiative itself—such as evaluation processes and an online platform for collaboration and communication—but also the infrastructure that should be in place post-initiative. Respondents repeatedly stressed the need to address the supply side of capacity building by leaving in place a network of capacity-building resources and consultants, as well as peer networks of support that community grantees can continue to draw on after the initiative is over. The building of such

peer networks is greatly facilitated by a concentration in geography and issue area, as well as by the mission of community foundations to convene local and like-minded organizations.

The **readiness of community grantees to engage in this work** is also a critical point on the framework. Both regrantor interviews and organizational assessment data indicate that there may be some baseline level of community grantee readiness related to organizational size and possibly associated conditions. More specifically, medium-sized organizations with budgets between \$100,000 to \$500,000 realized the greatest gains in capacity and were perhaps best positioned to do so given a threshold of organizational stability paired with greater flexibility than their larger-sized counterparts. Regrantors also cited other indicators of community grantee readiness, such as deep-bench staff involvement early on, a shared leadership model, a clear vision for the organizational change process, and pre-existing peer networks.

Regrantors played a critical role in facilitating community grantees' success. A key theme to emerge in this final report was that community grantees began to see their regrantors as a larger, gateway resource beyond just the strict role of CLP funder. This development can be seen as part of a larger theme of CLP and the capacity-building needs of small grassroots organizations—that is, the need to **rethink the traditional funder-grantee relationship**. A successful regrantor must be willing to play a more intensive, collaborative role that requires a high degree of physical presence, as well as highly customized and flexible assistance. They must also be able to take risks and move away from outcome-driven expectations. Comfort with non-linear processes and allowing self-determination of community grantees in setting their capacity-building goals were also key to effective regrantor approaches.

The ultimate changes in capacity described in this report show that community grantees have, indeed, made important strides in strengthening their organizations—particularly in programmatic capacity. An important and recurring finding was the **interrelatedness of different capacity areas**—such as the overlap of leadership and adaptive capacity with regard to fund development. Supporting and analyzing these capacities in a more integrated fashion is therefore critical.

Finally, in thinking through the ultimate success of the CLP initiative, we must be mindful not just of community grantee outcomes and capacity changes, but also of the way in which community stakeholders have been meaningfully engaged as partners with regrantors and funders in the design and execution of their work, and the ultimate benefits and lessons for low-income communities and communities of color specifically.

# I. INTRODUCTION

---

The Community Leadership Project (CLP) is a collaborative effort between the David and Lucile Packard Foundation, the James Irvine Foundation, and the William and Flora Hewlett Foundation to build the capacity of small, community-based organizations serving low-income people and communities of color in three regions of California: the San Francisco Bay Area, the Central Coast, and the San Joaquin Valley.

The first phase of CLP (CLP 1.0)—which began in 2009 as a three-year initiative<sup>3</sup>—was a \$10 million investment focused on experimenting with a range of capacity-building models in order to refine the CLP approach to strengthening organizations and leaders. Toward this end, the three CLP funders supported 27 intermediary organizations to engage in three different capacity-building strategies. The regranting strategy—the focus of this final evaluation report—represented the greatest area of CLP investment. Approximately \$7 million, or 70 percent of total CLP resources, was invested in low-income communities and communities of color specifically through the resources awarded to 12 regranting intermediaries (regrantors) in the three target regions.<sup>4</sup> These regrantors provided core financial support and high-touch, tailored organizational development assistance and coaching to 100 small and mid-size organizations (community grantees).

Covered in separate evaluation reports,<sup>5</sup> leadership development and technical assistance (TA) were the other two capacity-building strategies, with a broader swath of individuals and

---

<sup>3</sup> The initially designated timeline of CLP 1.0 was from 2009 to 2012. However, funding occurred in two waves (February and October 2009) and extensions were granted to a number of intermediaries, thus resulting in an end date in 2013.

<sup>4</sup> Phase 1 of CLP funding to regranting intermediaries occurred in two waves: (1) in February 2009 to California Rural Legal Assistance, Community Foundation of Monterey County, Immigrant Legal Resource Center, The San Francisco Foundation, Silicon Valley Community Foundation, and Horizons; and (2) in July 2009 to the remaining six regrantors. We did not include Zero Divide in our regrantor analysis. While they made 20 mini-grants, they played primarily a technical assistance role for community grantees.

<sup>5</sup> See: *Learning Together: A Final Evaluation Report for the Community Leadership Project's Technical Assistance Strategy*, (July 8, 2012), Social Policy Research Associates and *Leading Organizations to Benefit Low-Income People and Communities of Color: Color: Findings from the CLP Leadership Strategy*, (December 17, 2013) Leadership Learning Community & Social Policy Research Associates.

organizations receiving leadership opportunities and focused support on issues such as finance and technology. Approximately 330 participants received targeted trainings and technical assistance in key organizational development areas, and more than 280 leaders participated in leadership development programs geared toward working with leaders of color.

As shown in the CLP 1.0 logic model included in Appendix A, together, these three strategies were intended not only to build the capacity of individual leaders and organizations, but also to raise lessons about effective practices in building the capacity for those serving low-income communities and communities of color. Much of this formative learning has already been applied to a second phase of CLP (CLP 2.0), which launched in 2013 with an additional investment of \$8 million over three years and a focus on sustainability over experimentation.

## **Evaluation of CLP 1.0**

Social Policy Research Associates (SPR), the contracted evaluator for CLP, began work part-way through the first phase of CLP (and has continued its role for CLP 2.0). The CLP 1.0 evaluation was guided by the CLP logic model, and was concerned with understanding not only the impact of CLP on leaders, community grantees, intermediaries, and foundation partners, but also the key lessons on: (1) reaching and providing capacity-building supports to organizations and leaders serving low-income communities and communities of color; (2) characteristics of effective, culturally relevant, and community-responsive capacity building; and (3) which kinds of capacity-building supports are most effective for small and mid-sized organizations serving low-income communities and communities of color.

The Mid-Point CLP Regranting Evaluation Report<sup>6</sup> provided an overview of the 12 regrantors and their capacity-building approaches and promising practices (e.g., recruitment strategies, focus and modes of capacity-building work), as well as a “baseline” analysis of community grantees’ capacity and a discussion of emerging outcomes and progress at the community grantee level. The present report, which serves as SPR’s final evaluation report for CLP 1.0’s regranting strategy, is concerned with understanding both key outcomes and critical lessons. In terms of outcomes, this report analyzes the difference CLP 1.0 made for community grantees and how they became stronger and more sustainable as a result (Chapter III), as well as how CLP 1.0 participation informed and changed both funders and regrantors (Chapter IV). In terms of lessons, this report discusses what has been learned about providing effective, culturally-competent capacity-building supports to small organizations serving low-income communities

---

<sup>6</sup> See *Building Capacity Through a Regranting Strategy: Promising Approaches and Emerging Outcomes*, (June 19, 2012), Social Policy Research Associates.

and communities of color (Chapters II and IV), and the extent to which CLP 1.0 facilitated effective coordination and learning among initiative stakeholders and strategies (Chapter IV).

This report is informed by the perspectives of community grantees, regrants, and funders. The key methods and data sources used for the evaluation of the regrants strategy are summarized in Exhibit 1 below.

**Exhibit 1. Summary of Methods for Evaluation of Regranting Strategy**

<b>Data Sources</b>	<b>Description</b>
<b>Document review</b>	SPR staff reviewed documents that summarized regrants' and community grantees' objectives and progress, including CLP proposals, interim reports, final reports, and planning documents for CLP 2.0.
<b>In-depth regrants and funder Interviews</b>	SPR staff conducted two rounds of interviews with the regrants intermediaries. The first round took place in summer 2011 and the second in fall 2013. We also conducted two rounds of interviews with the three CLP funders in the same years.
<b>Community Grantee Site Visits &amp; Case Studies</b>	SPR staff conducted site visits to 11 community grantees in late 2012 and early 2013 to capture community-level stories of how organizations have changed as a result of CLP resources, provide examples of outcomes as they relate to the CLP 1.0 logic model, and share feedback on regrants' capacity-building strategies.
<b>Observation at Learning Labs and CLP Meetings</b>	In partnership with Leadership Learning Community (LLC), SPR staff conducted regional learning labs in each of the three regions in summer 2011 and summer 2012 (six learning labs total). The learning labs convened grantees and participants in all three strategies, providing them with the opportunity to network and share learnings. We also drew on observations and participation at key CLP events, such as the 2011 intermediary convening, the September 2011 CLP funder retreat, the 2012 regrants focus groups, and monthly check-in meetings to inform this report.
<b>My Healthy Organization © (MHO) Survey</b>	In spring 2011, all CLP community grantees were asked to complete the My Healthy Organization survey (or a comparable organizational assessment) in order to help understand the capacity of community grantees during the early implementation of CLP. Community grantees were asked to take a second and final round of the MHO on a rolling basis as they closed out their grant periods.
<b>Outcome Survey</b>	Administered as part of their final reporting requirements, community grantees were asked to complete a short survey on supports received and how they had grown through the CLP grant.

The remainder of this report is ordered as follows: regrants' capacity-building approaches and lessons over time (Chapter II); changes in capacity and outcomes at the community-grantee level (Chapter III); key intermediary and funder outcomes and initiative-level lessons from CLP 1.0 design and implementation (Chapter IV); and a summary of implications for both CLP as well as the larger philanthropic field (Chapter V).

## II. CAPACITY-BUILDING APPROACHES AND LESSONS OVER TIME

---

*It was more than just, “Here’s the money and write back at the end of two years to let us know what you did”—which some funders, that’s all they want. It was very much, “Keep us engaged, how can we help you make good of the activities and objectives you had planned for in the grant?”*

*—CLP 1.0 Community Grantee*

Capacity-building approaches and lessons have been a critical component of the CLP evaluation. Regrants and community grantees alike have stressed the importance of revisiting and revising the traditional funder-grantee relationship, as described above, and incorporating the unique concerns of small, grassroots organizations into specific capacity-building strategies. In this chapter we review the CLP 1.0 regrants and previous capacity-building lessons before discussing how these lessons and capacity-building approaches have evolved over the course of the initiative.

### **Review of CLP 1.0 Regrants and Previous Capacity-Building Lessons**

Exhibit 2 below summarizes key variables of the 12 regrants supported by CLP 1.0. Half of the regrants were public or community foundations, one-third were nonprofit organizations, and the remaining two were funder affinity groups. The CLP 1.0 grant amount to the regrants intermediaries ranged from \$320,000 (Rose Foundation) to \$1,100,000 (The San Francisco Foundation), while the number of community grantees per grantor ranged from five (HomeBase) to 13 (Asian American/Pacific Islanders in Philanthropy). Seven regrants targeted the San Joaquin Valley (three exclusively so), five targeted the Central Coast (one exclusively so), and five targeted the Bay Area (four exclusively so).

## Exhibit 2. Overview Table of Regranting Intermediaries<sup>7</sup>

Regranting Intermediary (grant size)	Type of Funding Organization	Regions Served
Alliance for California Traditional Arts—ACTA (\$410,000)	Non-Profit Intermediary Service Provider	Central Coast and San Joaquin Valley
Asian American/Pacific Islanders in Philanthropy—AAPIP (\$350,000)	Funder affinity group, with experience regranting & running programs	Bay Area
California Rural Legal Assistance—CRLA (\$850,000)*	Non-Profit Legal Services Organization	Central Coast and San Joaquin Valley
Community Foundation for Monterey County—CFMCO (\$450,000)*	Community Foundation	Central Coast
Hispanics in Philanthropy—HIP (\$400,000)	Funder affinity group, with experience regranting & running programs	San Joaquin Valley
HomeBase (\$350,000)	Nonprofit Public Policy Law Firm	San Joaquin Valley
Horizons Foundation—Horizons (\$500,000)*	Community Foundation	Bay Area
Immigrant Legal Resource Center—ILRC (\$600,000)*	Non-Profit Resource Center	San Joaquin Valley
Rose Foundation—Rose (\$320,000)	Public Foundation	Bay Area, Central Coast and San Joaquin Valley
Silicon Valley Community Foundation—SVCF (\$1,000,000)*	Community Foundation	Bay Area
The San Francisco Foundation—TSFF (\$1,100,000)*	Community Foundation	Bay Area
The Women's Foundation (\$500,000)	Public Foundation	Central Coast and San Joaquin Valley

In the Mid-Point CLP Regranting Evaluation Report, we divided the regrantors' approaches primarily by: (1) pre-award practices (outreach, recruitment, and application practices), and (2) program design and implementation (focus of capacity-building work, capacity-building modes or activities, and funder engagement or strategies to working with community grantees). With regard to **outreach and recruitment**, key findings from the mid-point CLP Regranting Evaluation Report included:

- Almost all regrantors leveraged pre-existing relationships with community grantees in their outreach and recruitment, but many regrantors also prioritized reaching new and untested community grantees.
- In order to reach non-traditional community grantees and mitigate risk, regrantors implemented a range of outreach and recruitment practices, such as advisory groups,

<sup>7</sup> Asterisks denote those regrantors who received grants during the first wave of CLP 1.0 funding.

financial selection criteria, baseline organizational characteristics criteria, and organizational assessments.

With regard to **program design and implementation**, key findings from the Mid-Point CLP Regranting Evaluation Report included:

- Leadership capacity and operational capacity were regrantors’ most prevalent areas of focus, particularly board development, board leadership, and fundraising and fiscal management.
- Nearly all regrantor approaches blend core operating support with direct technical assistance/coaching.
- All regrantors engage external consultants within their approach and facilitate convenings that allow for both inter- and intra-organizational capacity building.
- Regrantor-community grantee relationships are characterized by high levels of engagement, as well as non-traditional, culturally responsive funding practices.

Our Mid-Point CLP Regranting Evaluation Report also identified **emerging promising practices** within the regranting strategy, which included the following:

- A mix of broad and customized support
- Flexibility and adaptability to “meet grantees where they are”
- Movement away from outcome-driven expectations and comfort with a non-linear process
- Balance between grantee self-determination with realistic levels of direction
- Asset-based orientation and attention to assumptions about who holds expertise
- Intentional focus on building organizational social capital.

## **Learning from CLP 1.0 Regranting Approaches**

In the *present* report, we reflect on what regrantors, CLP funders, and a number of community grantees<sup>8</sup> ultimately learned about reaching and working with organizations serving low-income communities and communities of color. In some cases, these lessons were geared less toward the culture of the communities at hand, and more toward the culture of small grassroots organizations. In this sense, culturally competent capacity building assumes a different meaning. Regrantors needed to respect aspects of organizational culture such as location and expertise, pay heed to inherent power dynamics between community grantees and funders, and build individualized relationships and capacity-building plans.

---

<sup>8</sup> Community grantees’ perspectives on capacity-building approaches were drawn from the 11 site visits we conducted to select community grantees.

## Outreach and Readiness

- **Local networks were a key element of funders’ and regrantors’ outreach strategies as well as an indicator of community grantees’ readiness for capacity-building work.** CLP funders and regrantors relied on partners and local networks to effectively reach potential grantees. As one CLP funder reflected, it was important to have a wide-ranging network to aid the funders in conducting outreach to community grantees. Toward this end, “It was smart to work through intermediaries who could fulfill this role.” Likewise, some of the regrantors themselves also relied on partner organizations to effectively reach community grantees. For example, ILRC, which has an on-the-ground staff presence in the San Joaquin Valley, tapped into their relationships with community foundations and other local partners for lists of potential community grantees. Based on their experience in CLP 1.0, SVCF collaborated with nonprofits and philanthropic organizations to create a larger pool of potential community grantees for CLP 2.0. In terms of community grantees’ readiness to engage in capacity building, TSFF staff cited “access to a network of nonprofits to collaborate with” as a key indicator of readiness (along with a minimum threshold of staff members and a track record of strong programmatic work).
- **Early “deep bench” involvement was a sign of community grantees’ readiness for capacity building.** CFMCO and Rose observed that those community grantees that involved a deep bench of organizational representatives early on—particularly during an assessment phase—were more likely to fully engage in the organizational change process during CLP 1.0 and realize a greater degree of transformation. One of the two regrantors specifically noted: “We found that a grantee that is able to pull together key people to talk about issues and work together to hash out plans demonstrates that they are ready for further support. We see this as one of the key features of readiness in the CLP context.” This regrantor also explained that deep bench involvement from community grantees also allowed them to “have the most complete conversation about their needs, hopes, and plans.”

## Capacity-Building Culture

**Regrantors often need to help build a capacity-building mindset among community grantees that prioritize direct services.** One of the key challenges encountered by regrantors was the need to convince community grantees of the value of a capacity-building investment and to make it a priority alongside programmatic goals. One community grantee noted that small under-resourced organizations tend to put capacity-building issues on the backburner and that having “the assistance to plan for the future is like a luxury that they cannot afford.” As one CLP funder reflected, community grantees are often more inclined to invest any additional funding into direct services, not immediately recognizing the importance of creating a foundation or infrastructure that will ensure the continuation and quality of direct services. This funder emphasized the need for an intermediary or mentor to help community grantees create the space for capacity-building work and decide how to best access available capacity-building resources. Regrantors echoed this perspective, noting that there needs to be a way to build a culture of capacity building, particularly in the San Joaquin Valley, and communicate what capacity building is and how a capacity-building

investment is distinct from, but ultimately beneficial to, programmatic work and organizational progress.

Finally, CRLA and ILRC observed that in addition to getting community grantees to value capacity-building investments, the community grantees required assistance with the sequencing and timing of capacity-building activities available through CLP 1.0. As CRLA and ILRC staff observed in their CLP 2.0 proposal, “Some grantee organizations missed the mark in timing the technical assistance with their larger capacity-building outcomes.”

## Effective Relationships and Accessible Resources

- **The physical presence of regrants and funders was critical for building effective relationships with community grantees.** Both CLP regrants and funders repeatedly stressed the importance of establishing and maintaining a physical presence with community grantees. Personal interaction and face time was critical for creating trust and building relationships. Maintaining a physical presence was also helpful for assessing capacity-building needs and maintaining a pulse on progress and outcomes. As Rose staff reflected in its CLP 2.0 proposal, “Rather than ask grantees to come to us, we realized how important it is to have these visits in the grantees’ workspace or office. This allows them to be in charge while meeting in a comfortable or familiar setting. It also allows us to assess their physical space and helps us understand their infrastructure needs.”

The CLP funders also described interpersonal interaction with community grantees as a feature of an effective approach and a facilitator of ultimate success. As one of the funders reflected:

*A funder relationship with the grantee can be extremely positive and can be a critically important element of the community grantee succeeding... There is a direct link between spending time with grantees to stronger outcomes.*

- **Intensive engagement between regrants and community grantees was a common feature of successful regranting models.** From the funder perspective, perhaps the most critical element of what they felt were the more successful regranting models was a high touch, intensive relationship between regrants and community grantees— involving considerable one-on-one time. A number of regrants and community grantees also described their relationships as high-touch *partnerships*. For example, one of ACTA’s community grantees appreciated their regrants’ “in the trenches together” approach to the work, which conveyed a sense of partnership as opposed to hierarchy.

In some cases, the intensity of the regrants-community grantee relationship was not anticipated. For example, at the beginning of CLP 1.0, ILRC expected to play a clearly defined regrants role and Compass Point to play a clearly defined capacity-builder role. However, it soon became apparent that community grantees required some degree of pre-capacity building support that in turn required ILRC to play a more intimate coaching role.

In other cases, while a coaching role may have been expected, the degree of emphasis may not have been. For CFMCO, the intensive relationship took the form of a

specifically designated mentor for each community grantee—a feature that became more emphasized and resourced by this regrantor as time went on. One of CFMCO’s community grantees highlighted the value of this feature, saying that being able to access ongoing support from a mentor who understood and was dedicated to helping them achieve their capacity-building goals was “one of the most invaluable supports [they] received.”

- **Successful regrantors engaged in reciprocal learning and encouraged self-determination among community grantees.** Two of the emerging promising practices from the Mid-Point CLP Regranting Evaluation Report concerned the need for grantee self-determination and for regrantors to question assumptions about who holds expertise. Regrantors continued to articulate lessons in these areas. For example, CRLA staff discussed its “ongoing posture” of viewing community grantees as peers with whom they could engage in reciprocal learning. HomeBase learned to step back and examine its assumptions about what community grantees’ outcomes should look like.

One community grantee characterized culturally competent capacity building as foundations “paying attention to how organizations want to do the work” and understanding that organizations hold distinct expertise. The questioning of who holds expertise and who should have the power to determine outcomes was addressed by CLP funders as well. As one funder noted, “How do I make certain, absolutely certain everyday, that I am giving access to other folks to self-determine their outcomes and am not dictating what I think the solution should be?”

- **Community grantees learned to view regrantors as larger, “gateway” resources beyond CLP.** A strong theme to emerge specifically from the community grantees that SPR visited was that regrantors served as larger resources and as “gateways” to other forms of support beyond the CLP grant. Regrantors serving in this larger capacity not only provided advice and mentorship, but also informed community grantees of potential opportunities and served as a working partner that was genuinely invested in community grantees’ goals. As two community grantees described:

*It was more than just, “Here’s the money and write back at the end of two years to let us know what you did”—which some funders, that’s all they want. It was very much, “Keep us engaged, how can we help you make good of the activities and objectives you had planned?”*

*I had been a grantee of CFMCO for many years...but what happened as a result of the CLP grant was that I came to view them as not just a distant moneymaking machine but a resource on so many other levels. I know that if there’s a question or something that I don’t know about, they would be one of the resources I would turn to...it’s much more than just a granting entity now and I view it that way.*

Community grantees appreciated the way in which their regrantors acted as brokers to outside resources. As one community grantee explained, being exposed and connected to other funders and additional resources (such as workshops) is important for small community organizations, particularly those located far away from larger cities. In some cases, regrantors have also facilitated increased visibility. For example, one community grantee described how their regrantor had its board members make

introductions to influential individuals, and helped broker relationships between the community grantee and other similar organizations.

**Creating peer networks was extremely beneficial for community grantees and helped inform regrantors' approaches as well.** Creating space for community grantees to interact and support one another led to multiple benefits. In fact, one CLP funder stated that the most successful regrantors “emphasized cohort development and building relationships.” For example, AAPIP shifted to a group learning approach and used peer learning circles to engage community grantees. AAPIP’s learning circles also facilitated peer exchange and resource sharing, which was the aim for other community grantee networks as well. Horizons convened its community grantees as often as possible so that they could share ideas and learn from one another. CRLA, ILRC, and HIP all joined forces to bring together their respective community grantees so that they might benefit from a larger pool of resources. CFMCO staff discussed the importance of creating a safe space for executive directors not only to learn from others’ approaches in areas such as board recruitment and financial management, but also to “engage in frank conversations about the stress of managing organizations in difficult times.”

During our site visits, three community grantees specifically noted the value of peer networks facilitated by their regrantors, both within and outside CLP portfolios. These networks introduced community grantees to new contacts in complementary issue areas (e.g., English language learners in immigrant communities), allowed them to hear from other community organizations about challenges to working with mainstream funders, and created coalitions of like-minded groups. One community grantee elaborated as follows:

*Both The San Francisco Foundation and the Silicon Valley Community Foundation are good at bringing their grantees together. Not just in this program. I have seen them use it as part of their mission to bring together like-minded groups, or convene them around a topic in an intimate way. The cohort model is valuable and the community foundation role overall beyond CLP is to draw together community groups that should know about each other. We benefited a lot from that.*

## **Individualized Support and Standards**

- **Individualized and flexible support continued as a best practice for regrantors.** One of the emerging promising practices highlighted in the Mid-Point CLP Regranting Evaluation Report was the flexibility and adaptability to “meet grantees where they are.” This theme continued to resonate as regrantors refined their capacity-building approaches in CLP 1.0. Regranting intermediaries such as AAPIP found that because their community grantees were so diverse in terms of their approaches, target populations, and organizational needs, it did not make sense to provide common trainings that “didn’t apply to even half of the organizations,” but instead to provide more individualized support. HomeBase altered its capacity-building approach to reflect a similar realization. Instead of implementing the planned provision of technical assistance to all community grantees at once, HomeBase divided its community grantees amongst staff members to work with closely one-on-one. CFMCO found that

an individualized approach was critical for addressing the complexity of issues that arose for each organization. This was particularly the case for the smaller organizations—for which CFMCO staff said they “brought in more and different resources as they needed them.”

ILRC staff felt the ideal approach was a compromise between common trainings and customized support—specifically, providing “something structured like an offering from Compass Point of Nonprofit Finance Fund, followed by individual coaching and figuring out which specific areas would be most valuable for an organization to work on.”

- **Using individualized measures of success was appropriate given the nature of CLP 1.0 community grantee organizations.** In accordance with individualized capacity-building approaches, HomeBase worked to come up with individualized definitions of success and appropriate benchmarks based on a community grantee’s capacity, focus, and strategies. Likewise, Horizons felt that as CLP 1.0 progressed, they needed to help their community grantees redefine goals and more realistic benchmarks in alignment with their current capacity. By letting go of pre-set performance standards, one CLP funder perceived a greater ability of regrants and community grantees to concentrate on forward movement and reach goals more rapidly.

### **Emphasized Areas of Capacity-Building Assistance**

- **Regrants’ coaching was particularly critical in the areas of consultant and funder relations.** As part of their close partnership with community grantees, regrants often coached organizations in two particular areas: working with consultants and relationships with funders. Community grantees received coaching on how to find, select, and work with consultants. However, at least one community grantee felt that given the prominent role played by consultants in CLP, more technical assistance was needed on such issues as designing a contract, ensuring quality control, deciding between competing consultants, and even articulating organizational needs as “this is part of the capacity challenge, you don’t always know what you need from these experts.” Guidance was also provided on how to select a culturally appropriate consultant—for example to help complete a needs assessment in a largely Latino area. Horizons found that assessing cultural fit between a prospective consultant and a community grantee was also a valuable learning experience for them on “how to evaluate and find coaches who will be effective with organizations that serve low-income communities and communities of color.”

Regrants such as AAPIP, TSFF, and SVCF also coached community grantees in the area of philanthropy and funder relations. This took the form of introducing community grantees to regrants’ funder networks, passing on knowledge about the philanthropic field, versing community grantees in “foundation language” (e.g., logic models), and assisting community grantees with obtaining additional funding. SVCF dedicated an entire grantee convening to community grantee-funder relations and invited the CLP funders to participate as well.

- **Board development and fund development capacities need to be addressed in an integrated fashion.** According to one CLP funder, the most successful regrants gave significant attention to “the basics of organizational capacity” such as financial

management, board development, and strategic planning. In the Mid-Point CLP Regranting Evaluation Report we found that leadership capacity-building activities and operational capacity-building activities were regrantors' most prevalent areas of focus. Over the remainder of CLP 1.0, at least two regrantors, CFMCO and HIP, moved toward integrating these two capacity areas—in particular board leadership and fund development. HIP helped some of their community grantees in merging their fundraising and leadership development goals, and CFMCO likewise noted that while most of their community grantees wished to focus on fund development, they ultimately realized the interrelated or primary importance of developing their board members' capacity to play fundraising roles.

## Implications

In examining CLP 1.0 regrantors' capacity-building approaches, we were interested in distilling the key features of what appeared to be the most promising models. As evidenced by the previous discussion, we have found that the promising practices highlighted in the Mid-Point CLP Regranting Evaluation Report have continued to resonate over time, *with an increased emphasis on aspects of regranting practices that extended beyond the grant itself—such as facilitating access to tools, resources, and networks*. More specifically, many CLP stakeholders stressed the importance of recognizing regrantors as larger resources beyond CLP funders, and of building peer networks. Successful regrantors were able to bring to the table resources and opportunities beyond those in the CLP grant, including additional trainings and access to funder networks. As one funder affirmed, “At the end of CLP, when there is no longer money or capacity support for the community grantees, those involved will be left with a network of relationships and each other as resources.” Peer networks were critical not only for group learning and building inter-organizational connections, but also for improving regrantors' understanding of their community grantees' context, needs, and progress. Key implications are that building strong peer networks is aided by a concentration in geography as well as issue-area, and that community foundations are particularly well-suited to facilitate peer networks given their mission to convene local, like-minded groups.

Community or smaller foundations were also seen as particularly appropriate for serving as collaborative working partners. This was particularly true for smaller grantee organizations that required a high-touch, highly individualized approach to capacity building. The key implication here is that the capacity-building needs of small grassroots organizations requires a rethinking of the traditional funder-grantee relationship, and that a successful funder or regrantor must be willing to play a more intensive, collaborative role that requires a high degree of physical presence as well as highly customized and flexible assistance.

### III. CLP 1.0 COMMUNITY GRANTEE OUTCOMES

---

In this chapter, we turn to the outcomes of the CLP 1.0 capacity-building investment at the community grantee level. Namely, what evidence is there that the CLP investment and the regrantor approaches described in the previous chapter strengthened the capacity of community grantee organizations serving vital roles within their communities? What can be learned about those community grantees that were best able to take advantage of capacity-building supports provided through CLP 1.0? And, finally, what are the implications for thinking about best ways to strengthening the capacity of those serving low-income communities and communities of color?

#### Overview of Community Grantees

The regranting strategy of CLP 1.0 supported 100 community grantees. As shown in Exhibit 3, community grantees were located from as far north as San Rafael and Stockton, to as far south as Bakersfield. While nearly half of the community grantees were concentrated around the Bay Area, more than one third was spread along a more than 200-mile stretch of the San Joaquin Valley. Community grantees ranged considerably in size, from very small organizations operating on less than \$25,000 a year, to much larger and more established organizations with budgets between \$1 and \$2 million. Nearly half of the organizations fell in the \$100,000 to \$500,000 annual budget range. CLP grant amounts also ranged across the portfolio, from \$5,625 to \$77,000.

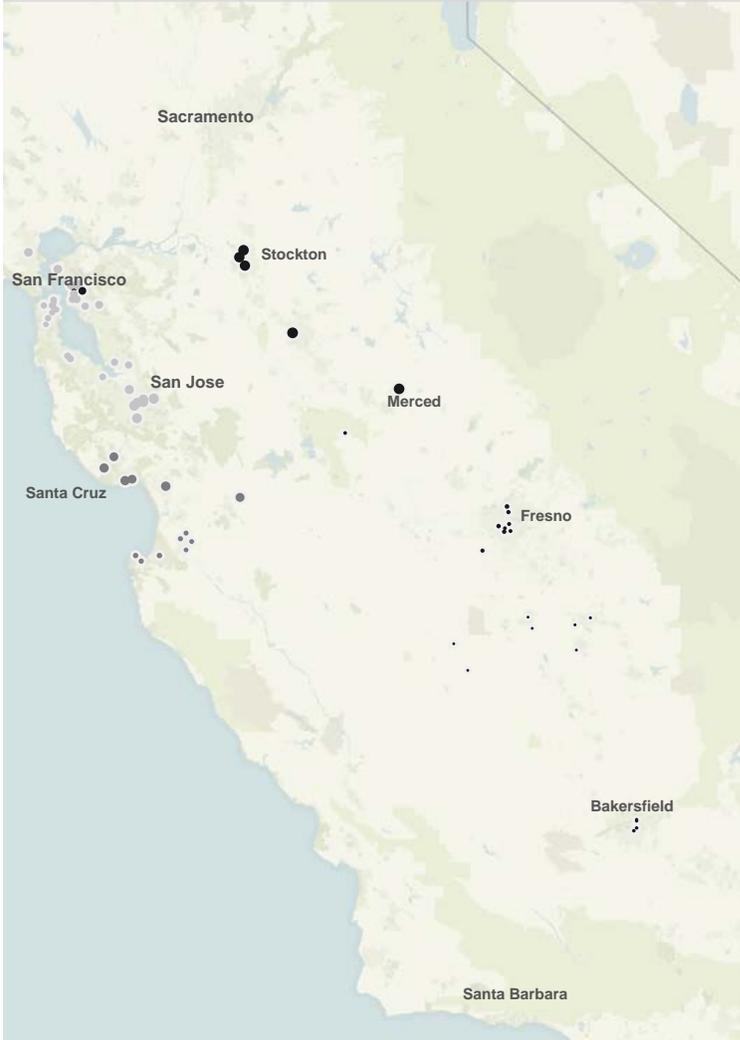
Diversity was also apparent in the broad range of community issues addressed and populations served by CLP 1.0 community grantees. Across the portfolio, community grantees most frequently covered the field of human services, followed by civic engagement,<sup>9</sup> arts and culture, immigrant services, and finally, health—the least common focus area. Within these fields, organizations ranged from indigenous arts organizations and homeless prevention networks, to AIDS foundations and rape crisis centers. While more than half of the organizations sought to reach multi-ethnic groups, the portfolio also included organizations specifically targeting Latino/a, Asian/Pacific Islander, African American, and Native American populations.

---

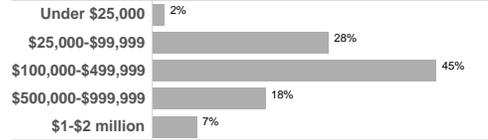
<sup>9</sup> Most of the community grantees that focused on environmental issues are categorized under civic engagement (and secondarily under health).

### Exhibit 3. Overview of CLP 1.0 Community Grantees<sup>10</sup>

#### Location of Community Grantees



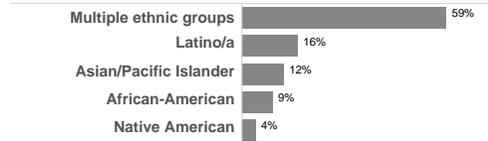
#### Budget



#### Grant Size by Budget

Budget Category	Grant Size	Percentage	
Under \$25,000	Less than \$10,000	100%	
	\$25,000-\$99,999	Less than \$10,000	7%
	Between \$10,000 & \$25,000	57%	
	Between \$25,000 and \$50,000	21%	
\$100,000-\$499,999	Less than \$10,000	18%	
	Between \$10,000 & \$25,000	16%	
	Between \$25,000 and \$50,000	36%	
	Greater than \$50,000	31%	
\$500,000-\$999,999	Less than \$10,000	6%	
	Between \$10,000 & \$25,000	22%	
	Between \$25,000 and \$50,000	17%	
	Greater than \$50,000	56%	
\$1-\$2 million	Between \$10,000 & \$25,000	29%	
	Between \$25,000 and \$50,000	14%	
	Greater than \$50,000	57%	

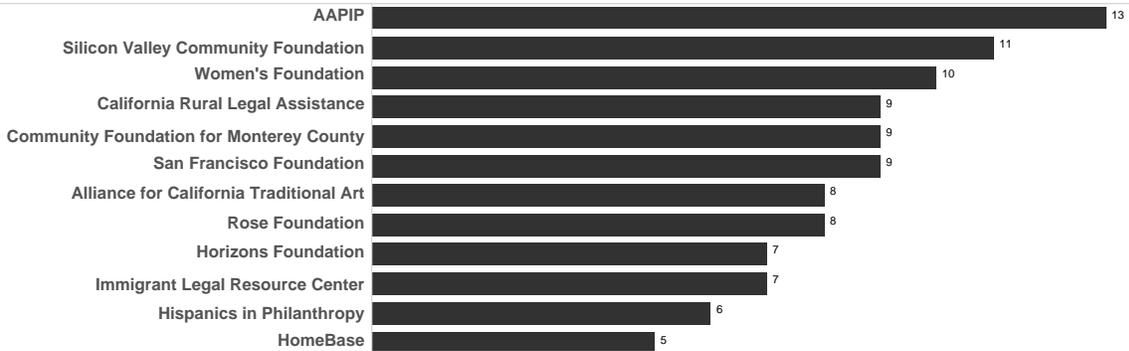
#### Ethnicity Served



#### Field



#### Regrantor



<sup>10</sup> Two community grantees received support from multiple regrantors.

## Framework for Analyzing Changes in Grantee Capacity

To address the question of how CLP community grantees benefited from the three-year capacity building investment, the evaluation assessed the organizational capacity of community grantees at two points in their grant cycle: in spring 2011 (as a proxy baseline when the evaluation was launched) and at the close of their grants from 2012 to 2013. Organizational capacity was measured in five core capacity areas made up of 22 sub-measures theorized to be critical elements for stability and growth.<sup>11</sup> As shown in the CLP 1.0 logic model and defined below, these include:

- **Leadership capacity:** the ability of organizational leaders to vision, inspire, model, prioritize, make decisions, provide direction and innovate to achieve the organizational mission. Leadership capacity includes roles and skills of leaders to keep staff connected and accountable to organizational vision and progress, and to promote a mission-centered and inclusive approach to decision making. Sub-measures for leadership capacity include: 1) *board development*; 2) *board leadership*; 3) *organizational leadership and decision-making*; 4) *sustainability of leadership*.
- **Operational/management capacity:** the ability of an organization to effectively use its resources to ensure efficient operations, including proper facilities and related management skills; strong fund development strategy and financial operation systems; the attraction, development, and retention of qualified, diverse staff and volunteers; teamwork and clear communication throughout the organizational structure; and adequate technology infrastructure and related skills. Sub-measures for operational capacity include: 1) *facilities*; 2) *fundraising and fiscal management*; 3) *staff assessment and development*; 4) *staff recruitment and retention*; 5) *staff relations*; 6) *team-based management and staff structure*; 7) *technology and information system capacities*; and 8) *volunteer management*.
- **Adaptive capacity:** the ability of an organization to monitor, assess, and respond to internal and external pressures and changes. This includes proactive use of strategic decision-making tools such as organizational self-assessments, client needs assessments, programmatic learning, and field trend analyses. Adaptive capacity is also measured by the ability to maintain financial and staffing stability within changing internal and external contexts. Sub-measures for adaptive capacity include: 1) *access to and use of decision-making tools and supports*; 2) *organizational and environmental learning*; 3) *programmatic learning*; and 4) *resource sustainability and adaptability*.

---

<sup>11</sup> These capacities were adapted from TCC Group's Core Capacity Building Model. (See *What Makes an Effective Advocacy Organization? A Framework for Determining Advocacy Capacity*, January 2009, [http://www.calendow.org/uploadedFiles/Publications/Policy/General/EffectiveAdvocacy\\_FINAL.pdf](http://www.calendow.org/uploadedFiles/Publications/Policy/General/EffectiveAdvocacy_FINAL.pdf)). For the purposes of this evaluation, we included an additional capacity area identified as particularly relevant among organizations specifically serving low-income communities and communities of color: community/collaborative capacity. (See *Building the Capacity of Advocates Representing Communities of Color: A Scan Commissioned by The California Endowment*, September, 2010, Social Policy Research Associates.)

- **Programmatic capacity:** the ability of an organization to plan, implement and evaluate programs that resonate with community needs and align with organizational missions. This includes necessary organizational resources and infrastructure, as well as staff knowledge, skills, and cultural sensitivity to effectively and efficiently deliver services that meet community needs and build upon community assets. Sub-measures under programmatic capacity include: 1) *program delivery*; 2) *program evaluation*; and 3) *program staff management*.
- **Community/collaborative capacity:** the ability of an organization to effectively reach out to, partner with, and directly engage low-income communities/communities of color that they represent and serve. This capacity includes the ability to establish credibility and trust with the communities they serve, engage in meaningful partnerships among diverse stakeholders, and ensure that the beliefs, values, and practices of served communities are reflected in organizational policies, programs, and staffing. Sub-measures for community/collaborative capacity include: 1) *community alignment*; 2) *community engagement*; and 3) *community outreach*.

The assumption going in was not that all community grantees would demonstrate change in all five of these areas. Rather, changes in capacity were expected to differ by community grantee, area of capacity-building focus, and regrantor strategy. The five capacity areas described above, however, allowed us to analyze the aggregated strengths and gaps across the CLP 1.0 portfolio, document the growth of individual community grantees, and shed light on the efficacy of different CLP capacity-building strategies.

Changes in organizational capacity in these five areas were primarily assessed using the My Healthy Organization© (MHO) assessment.<sup>12</sup> Organized into eight sections,<sup>13</sup> the tool consists of 57 close-ended questions that ask respondents from the same organization to rate their organization along a four-level continuum. The four levels—summarized in the text box on the next page—range from organizations with processes, policies, and systems that are informal and reactive (Level 1) to those organizations that are strategic, transparent, and proactive (Level 4). Each item from the MHO was mapped to the five CLP 1.0 capacity areas and their sub-measures, and the cohort-wide data serve as the basis for our analysis of changes in organizational capacity over time.<sup>14</sup>

---

<sup>12</sup> The MHO was selected because it is one of the few tools specifically designed for social-justice service and advocacy organizations and, therefore, has great potential to advance thinking about strengthening capacity of organizations serving low-income communities and communities of color.

<sup>13</sup> The sections of the MHO include: 1) purpose; 2) priorities and planning; 3) structures and practices for leadership and management; 4) people; 5) systems; 6) evaluation and quality; 7) organizational culture and relationships; and 8) community engagement and accountability.

<sup>14</sup> The Rose Foundation used an alternative assessment tool with their community grantees for CLP 1.0; this tool was similarly mapped to the five CLP capacity areas.

In our final analysis, organizational assessment data were complemented by qualitative data, including regrantors' documentation of outcomes (in evaluation and grant reports) as well as regrantors' reflections on progress and challenges within their respective portfolios (during interviews). Where possible, we also supplemented our understanding of outcomes through the voices of community grantees themselves, primarily through site visits to a select group of CLP 1.0 community grantees in 2013.

## Overall Findings

As described in the Mid-Point CLP Regranting Strategy Evaluation Report, at baseline, community grantees on average were early in their development as organizations. Cohort-wide MHO averages fell between Level 2 (developing organizations) and Level 3 (organizations with a moderate level of capacity and structure in place) across all capacity areas and sub-measures, with no cohort-wide averages exceeding Level 3. While scores did not show much differentiation across capacity areas at baseline, there was some variation by factors such as budget size and field of focus. Early in CLP 1.0, larger organizations with budgets above \$500,000 demonstrated consistently higher capacity levels than small- and medium-sized grantees, particularly for *adaptive* and *programmatic* capacity. Capacity at baseline also varied by field of focus, with arts and culture-focused grantees scoring the highest in all areas and community grantees focused on ethnic and immigrant services showing the most room for growth in *operational*, *adaptive*, and *programmatic* capacity. Finally, baseline data showed fewer regional differences than expected given the emphasis placed on challenges faced by organizations in the San Joaquin Valley. In fact, at baseline, community grantees serving the San Joaquin Valley outscored community grantees serving other regions for both *adaptive* and *community/collaborative* capacity.

### **The MHO © Scale**

**Level 1:** Generally, ratings at this level correspond to a small, young, start-up organization. They tend to be volunteer-run or have a small staff driven by a passionate vision, high energy, and a committed small group of workers. These organizations are sometimes informal in their processes and practices, and more spontaneous and reactive to situations and crises.

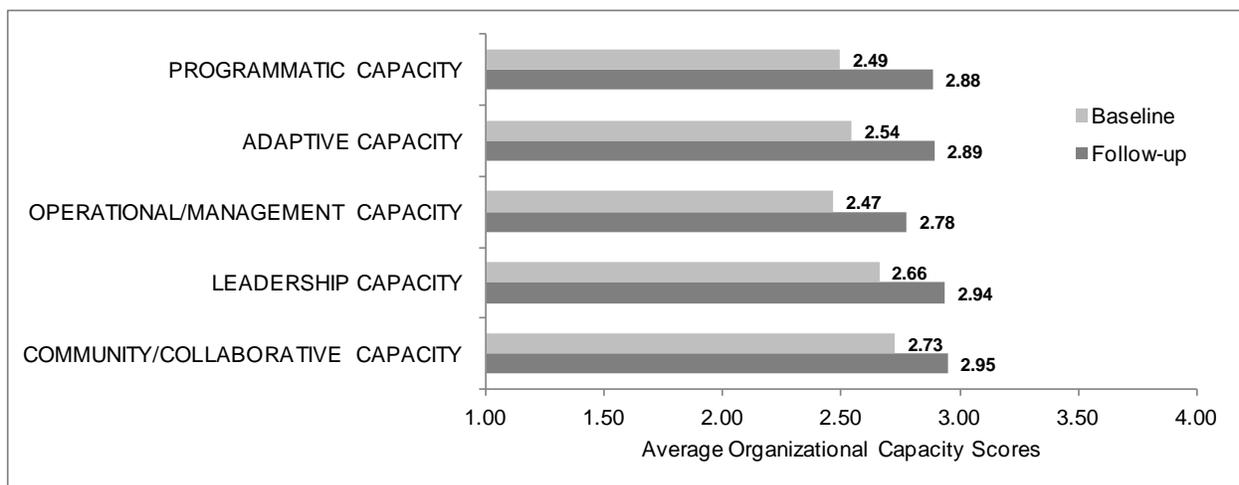
**Level 2:** Organizations at this level are more structured and have a basic awareness of and intention toward program and organizational design and planning, often led by just a few people. Organizational processes are often still informal or inconsistent.

**Level 3:** Organizations at this level demonstrate more organization-wide intention and cross-program understanding around organizational development. The organization is characterized by consistent practices, a higher level of stability, increased awareness of internal and external factors influencing it, and a commitment to long-term existence. There are moderate levels of capacity and structure in place.

**Level 4:** Organizations in this level are high performing, effective organizations. Roles and processes are clear, and skills and resources match organizational needs. Practices and policies are written, transparent, understood, and consistently implemented organization-wide. Strategic and proactive thinking and leadership development are priorities.

As shown in Exhibit 4, by the close of their CLP 1.0 grants, community grantees reported higher levels of capacity across all five capacity areas.<sup>15</sup> While still averaging below Level 3 for all five capacity areas, we saw grantee averages moving into the Level 3 range for several sub-measures, including: *organizational leadership and decision making* and *board leadership* (under leadership capacity); *team based management and staff structure* (under operational capacity); *program delivery* (under programmatic capacity); and *community engagement* (under community/collaborative capacity). As was the case at baseline, the highest sub-measure at follow-up across all capacity areas was *organizational leadership and decision making* while the lowest sub-measure continued to be *resource sustainability and adaptability*.

**Exhibit 4. Organizational Capacity at Baseline and Follow-up**



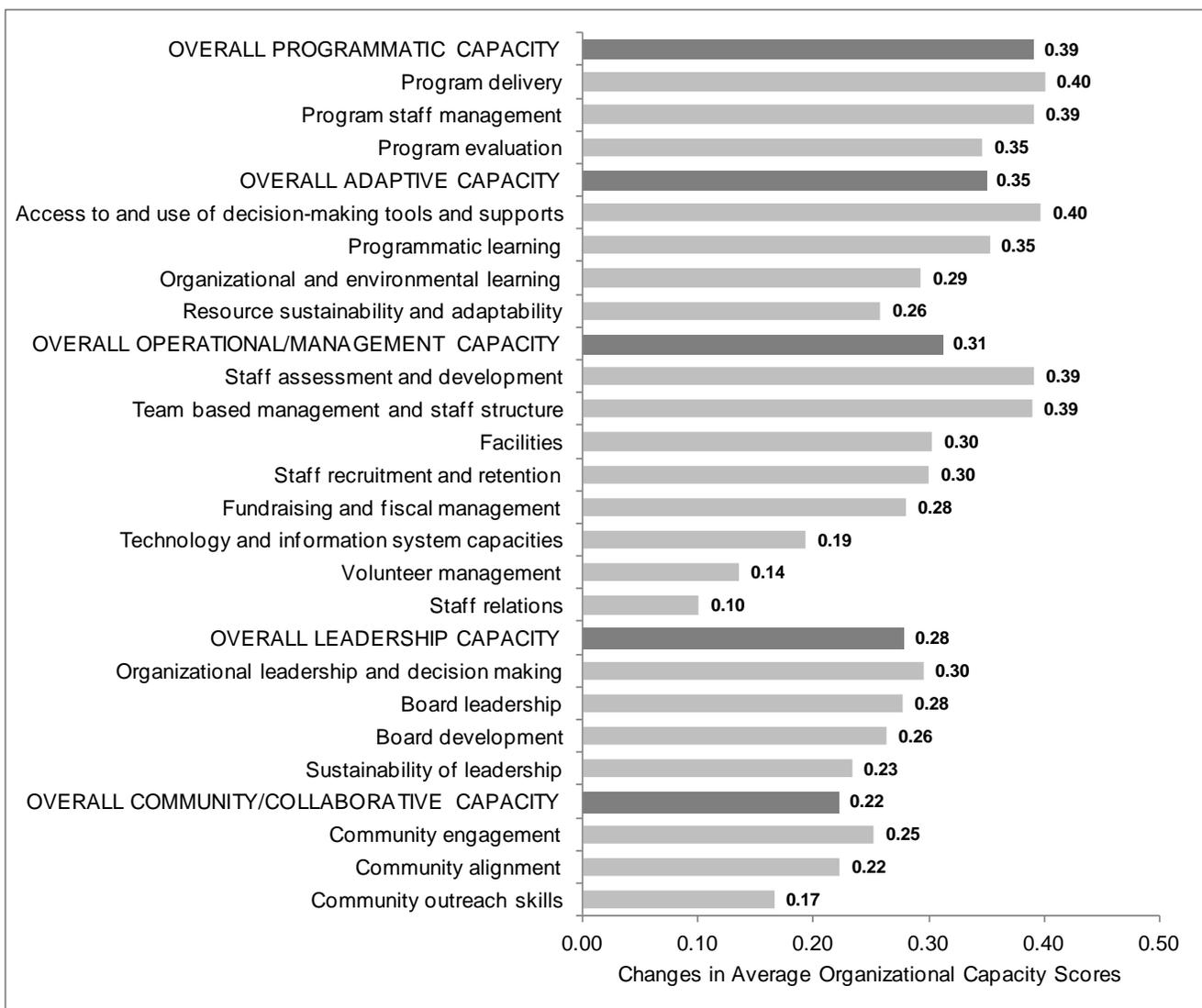
At follow-up, some of the baseline patterns in capacity by organizational characteristics persisted while others did not. With respect to budget, larger community grantees continued to demonstrate greater capacity than smaller organizations although medium-sized grantees nearly matched or exceeded large organizations in several areas, including *programmatic* capacity, which was an area of difference at baseline. By field of focus, arts and culture community grantees continued to score higher than average in most areas but were surpassed by civic engagement grantees in terms of *leadership*, *operational*, *programmatic*, and *community/collaborative* capacity. Community grantees focused on ethnic and immigrant

<sup>15</sup> In Exhibits 4 and 5, and in this chapter overall, changes in capacity were calculated by comparing averages over groups (rather than calculating change for individual organizations and then averaging across groups). This was done because not all of the same organizations completed the baseline and follow-up MHO administration and we wished to maximize the amount of data used for our analysis. Of the 100 total grantee organizations, 59 completed the baseline and 56 completed the follow-up, but only 42 completed both (matched data). While we used unmatched data to discuss findings in the report, we also conducted a separate subgroup analysis for the 42 organizations with matched data that permitted running statistical tests of significance. As with the group-level averages, results from the sub-group analysis showed increases in all capacity areas and sub-areas, following the same or very similar patterns. Almost all of the increases in the sub-group analysis were statistically significant.

services still scored below average in all areas except *adaptive* capacity, an area in which they showed considerably higher capacity at follow-up. Finally, in contrast with baseline, much larger regional differences emerged at follow-up, with community grantees serving the Bay Area scoring the highest for all capacity areas, whereas community grantees serving the Central Coast and San Joaquin Valley regions had scored highest at baseline.<sup>16</sup>

Exhibit 5 provides an overview of *changes* in capacity across all of the capacity areas and sub-measures. While we see that community grantees exhibited growth in all capacity areas, we see *programmatic* capacity representing the strongest area of change, and the *community/collaborative* capacity representing the lowest.

**Exhibit 5: Changes in Capacity During CLP 1.0**



<sup>16</sup> Detailed information on baseline and follow-up scores by organizational characteristics is included in Appendix B.

An analysis of change by organizational characteristics revealed the following key findings:<sup>17</sup>

- **Community grantees with medium-sized budgets (\$100,000 - \$500,000) showed increases in all capacity areas and sub-measures.** The greatest changes for these community grantees were in the *program delivery* and *program staff management* sub-measures. Since medium-sized community grantees are more established than smaller grantees yet also more flexible than larger ones, they may have been better positioned to maximize the CLP funding and supports to increase their organizational capacity.

Community grantees with small-sized budgets also grew in a majority of areas, most notably in *facilities* and *program staff management*, reflecting the impact of CLP on their infrastructure and staffing. Community grantees with the largest budgets showed the greatest gains in their *access to and use of decision-making tools and supports* and *team based management and staff structure*. Overall, larger community grantees saw the greatest increases in their *adaptive* capacity while small- and medium-sized community grantees saw the greatest increases in their *programmatically* capacity.

- **Community grantees serving the Bay Area exhibited positive growth for all capacity areas and sub-measures.** These gains ranged from almost a quarter of a point for *staff relations* to nearly three-quarters of a point for *program evaluation*. In contrast, community grantees serving both the Central Coast and the San Joaquin Valley saw decreases in at least several sub-measures and no change in overall *community/collaborative* capacity. The areas of greatest improvement for these two regions were *board development* and *sustainability of leadership* (Central Coast) and *facilities* and *program staff management* (San Joaquin Valley). This finding suggests that regional differences—such as geographic dispersal of organizations, availability of capacity-building resources beyond CLP, and the overall infrastructure of regional non-profit support—may influence an organization’s ability to effectively leverage capacity-building support.

## Analysis of Change by Capacity Area

The following sections discuss findings *within* each specific CLP capacity area. Although we discuss each separately, an important overarching finding that emerged from qualitative data was the interrelatedness of different areas of organizational capacity. Although neatly separated under different capacity areas in the quantitative data, several subareas—notably board development and fundraising—repeatedly surfaced as themes across capacity areas.

---

<sup>17</sup> It is important to note that not all of the community grantees completed the organizational assessments and, furthermore, not all of the same community grantees completed the baseline and follow-up assessments. For this reason, the findings presented may not be fully representative of all community grantees’ changes in capacity over time.

## Programmatic Capacity

As one of the lowest capacity areas at baseline, *programmatic* capacity showed the greatest increases over time, particularly in the sub-measures of *program delivery* and *program staff management*. During CLP 1.0, community grantees developed and implemented new programs. Moving forward, an area with room for continued growth is capacity to evaluate and continually improve programs to meet community needs. Examples of how community grantees developed and expanded their *programmatic* capacity included:

- A subset of community grantees reported strengthening their programmatic capacity by **engaging in program planning**, both developing new programs as well as revisiting existing ones. During the final year of CLP 1.0, *Resources for Independence* made progress toward opening Inspiration Park, California’s first universally accessible park, including raising funds and setting up operations. *Monterey Rape Crisis Center* began a process of restructuring their program services based on findings from their community needs assessment.
- Several community grantees moved beyond program planning and **implemented new programming** with support from CLP 1.0 and other funders. Through their new programs, grantees were able to expand and diversify their services and reach more culturally diverse community members. For example, the *Hmong International Culture Institute* drew on new funds to establish a Saturday language school to teach Hmong to youth and to provide elders with opportunities to learn English. Funded in part by Bank of America, *Kings/Tulare Continuum of Care* planned and implemented Project Homeless Connect, bringing together homeless service providers and mainstream agencies. Several community grantees launched new youth-focused programs, ranging from arts and multimedia (*Movimiento de Arte y Cultural Latino Americana*) to afterschool enrichment (*Fresno Street Saints*).

“We used CLP funding to hold our retreat this year [to]...determine what the needs of our communities are and modify our programs to fit those needs.”

### Teatro De La Tierra: Using Evaluation to Inform Program Planning

Program evaluation plays an important role throughout the life cycle of programs, from brainstorming new programs to reflecting on completed ones. Many small community-based organizations, however, see program evaluation as a summative, end-of-program activity. For Teatro Del La Tierra, connections with their regrantor and other community grantees exposed them new grant opportunities and pushed them to think about the evaluation process from the beginning.

Applying for new grants not only helped Teatro Del La Tierra think systematically about program evaluation from the beginning, but it also helped their staff scale back expectations of what is reasonable when applying for grants. For one new grant opportunity, program staff had to develop indicators and outcomes, a process that helped shape and develop their program by laying out evaluation processes before submitting the grant proposal.

Reflecting on how planning for evaluation during program development has helped, one leader said, "I think that writing a grant and planning the project is really helpful because once you put it down on the paper, if it does not work when you are reading it, it is not going to work when you are trying to implement it."

### Adaptive Capacity

The area where CLP 1.0 grantees showed the *second* greatest increase was *adaptive capacity*. Reflecting on how its community grantees grew in this area, one regrantor emphasized the critical importance of being "capable at reading your environment and figuring out how to build the organizational support you need to ride out the storms." Many tied their community grantees' increases in *adaptive capacity* as critical to effectively being able to build capacity in all other areas, with one regrantor explaining, "It's hard to say in real concrete terms...but it's related to the adaptability and leadership's understanding of what it takes to be strategic and build an organization." Examples of how community grantees developed and expanded their *adaptive capacity* included:

- Several community grantees built adaptive capacity by **navigating organizational change** as part of their funded work. For example, *Centro Biancional Para El Desarrollo Indigena Oaxaqueno*, with a hired consultant, crafted a board development and retention plan to work through board transitions that they were facing at the beginning of CLP. A couple of community grantees navigated turnover at the executive director level, one shifted its service mission to integrate advocacy, and another merged with another organization.
- Other grantees built adaptive capacity by **engaging in strategic planning** to ensure the long-term sustainability of their respective organizations. For example, *Kings/Tulare Continuum of Care* completed a 10-year strategic plan, informed by a homeless population count conducted with CLP support. *Arab Resource and Organizing Center* held multiple staff retreats not just to formulate a strategic plan in partnership with their community, but also to develop evaluation capacity to ensure that they could remain attuned to community feedback as they implemented their plan.

- The most widely reported change in this capacity area was **new and innovative fund development strategies** aimed at creatively responding to a challenging economic context. Multiple regrantors observed their community grantees as “stretching beyond the comfort zone” in approaching new funders and donors, or trying new fund development strategies aimed at developing sources of renewable income. For example, *The Mentoring Center* began piloting an earned income strategy aimed at selling their youth mentoring model to other non-profits, and *Kawiisu Language and Cultural Center* began offering training for native language immersion techniques to other tribes. Multiple grantees reported launching donor campaigns for the first time or directly appealing to community constituencies with food and product sales at events. Several cited CLP capacity building (e.g., connecting with new funding partners and exposure to new donor models) as an important factor in their successful fund development efforts.<sup>18</sup>

*“[Our regrantor] has been instrumental in providing us with the tools to try new methods of fundraising. The courage to be able to do the ‘ask’ has benefited our organization.”*

### **Merced Lao Family: Adapting to Changing Community Needs**

In many cases, organizational development is measured by an organization’s ability to secure and expand resources. For Merced Lao Family, a community-based organization promoting the self-sufficiency of Merced County’s Southeast Asian immigrant families, it was just the opposite.

After years of successfully running new refugee programs supported through large federal grants, Merced Lao Family demonstrated their adaptive capacity when these grants were set to expire. Instead of immediately focusing on replacing that funding, the organization used the CLP opportunity to step back and recognize that, as new refugees were becoming more settled in the U.S., the basic survival/refugee resettlement support they were providing—such as food stamp programs—were becoming less critical. CLP provided an opportunity to explore new grant opportunities and ensure that programming was evolving as their community’s needs evolved.

ACTA staff observed that Merced Lao Family was a much stronger organization at the close of CLP 1.0 as a result. Nayamin Martinez, the program manager for the grant reflected: “Someone could look at their balance sheet and see, ‘Oh, they had \$750,000 and now they have \$500,000 – that’s bad.’ Well, that’s bad if they want to keep on providing the same services they were doing seven years ago, but to me this is proof of their adaptive capacity. They are changing to the new reality of the population they are serving and making sure they serve [their community] in a way that is meaningful to them and also for the organization.”

<sup>18</sup> In some cases, these efforts led to concrete fund development outcomes, as community grantees reported securing new resources from funders with whom they had not previously had a relationship. Specifically, over the course of CLP 1.0, community grantees received grants from private foundations, such as The California Endowment and James Irvine Foundation, for the first time, as well as new county-level grants from county education offices and new federal grants from the U.S. Department of Housing and National Science Foundation. One community grantee reported a \$75,000 grant from the Ford Motor Company.

## Operational/Management Capacity

*Operational/management* capacity remained the lowest capacity area at the close of CLP 1.0, perhaps due in part to the longer timeframe needed to make shifts in policies and procedures that optimize organizational efficiency, and the significant amount of resources needed to improve technology and information system capacities. However, examples of transformative change did occur with some community grantees (see text box on the next page), and others demonstrated meaningful growth within specific sub-measures. This was particularly the case in the areas of developing staff and ensuring a team-based management structure. Examples of how community grantees developed and expanded their *operational/management* capacity included:

- Approaches to staff development included both **internal strategies for training and retaining staff, as well as efforts to engage and recruit new staff**. Some grantees focused on developing capacity for specific roles, such as treasurer or board members, while others provided broader staff trainings. Across community grantees, topics of training included supervising staff, developing policies, organizing and advocacy, and leadership training. Over the past year, *Resources for Independence* held four mid-management trainings covering grant writing, finance and personnel management, and program evaluation. Other grantees invested in staff development through re-writing personnel manuals and creating staff development processes. For example, *Stone Soup Fresno* implemented a new process that led to staff members taking on more leadership roles to represent the organization at funder-led meetings. Several regrants reported outreach efforts among their community grantees to recruit new board members with knowledge of mainstream agencies, while others recruited and hired for specific staff positions (e.g., monolingual Spanish speakers to support community organizing).
- Another approach community grantees used to increase *operational* capacity was **investing in infrastructure, including facilities and technology**. Several community grantees moved into new or expanded facilities. *St. Vincent de Paul/St. Brigids* is now able to reach and serve a greater client base using their new computer/AV room that is equipped with an updated server, printers, phone system, and cameras for photo IDs. Other examples of updated technology included overhauled websites, upgraded computer systems and new software, and new internet communication services that helped improve community grantees' communications with partner organizations. Grantees also reported increased knowledge of technology and tools, including new software (QuickBooks) and data-sharing systems (Dropbox, iCloud).
- Although financial sustainability and diversified funding remained an elusive goal for many community grantees at the close of CLP 1.0, most regrants described **increased capacity in fundraising and fiscal management** as areas of growth within their portfolios. One regrants explained that community grantees showed "limited progress in terms of dollars raised; however most grantees have a better

*"The biggest a-ha moment was realizing that strengthening the infrastructure strengthens the organizing."*

understanding of what diversified revenue sources may mean for their organization, how to identify the right mix of revenue sources to pursue and to build the capacity to make it successful.” Community grantees specifically reported benefitting from templates and tools from financial workshops, as well as from CLP funding that helped them revise their accounting and fiscal policies and bring their financial reporting in-house.

### Central Coast for Independent Living: Organizational Restructuring

Most organizations take an incremental approach to improving their operational capacity. During CLP 1.0, Central Coast for Independent Living (CCIL) took a more comprehensive approach. At first, CCIL staff identified board development and fund development as key priorities. However, once they started the process, they realized they much more was needed.

Ultimately, they restructured staff positions to maximize the efficient use of the agency’s database, instituted case reviews to ensure consistent quality standards, restructured management meetings to provide space for meaningful problem-solving, implemented a review process to assess the viability of new grant/program activities, and now have a dedicated assistant director focusing on fund development. Finally, they expanded the role and scope of supervisory positions to provide more of the day-to-day decision making where it was needed most, and eliminating unnecessary layers of involvement that prevented the timely resolution of issues.

As CCIL’s regrantor reflected, “They’ve talked about this experience as being transformative. In many ways it was giving them the space and the support to really think about the work that they needed to do to sharpen the organization.”

## Leadership Capacity

*Leadership* capacity was one of the areas where community grantees demonstrated relative strength at baseline. Given the higher initial scores, we did not see as marked growth in this capacity area as others. Over the course of CLP 1.0, grantees showed the most growth in their *organizational leadership and decision making* as well as their *board leadership*. Examples of approaches to strengthening *leadership* capacity included:

- The most cited type of change centered on **more educated and engaged boards** as a result of board development efforts supported by CLP. One way community grantees strengthened their board was through the successful navigation—and even encouragement—of board turnover complemented by strategic recruitment of board members who could provide what they needed most. One way *Stone Soup Fresno* increased its board engagement and understanding of community needs (particularly among new refugees) was by requiring all new board members to mentor youth as part of their on-boarding process. Another community grantee, *Central California Asian Pacific Women*, developed a “Collaborative Board Training Workshop” that included board members, other local non-profit leaders, and community members and provided board members with the opportunity to learn from others. In other cases, community grantees increased transparency of the roles, expectations, and commitment of board members by developing board job descriptions, enforcing term limits, and formalizing board by-laws and processes guiding committee work.

- A subset of community grantees also reported **growth of individual leaders**. Founders developed greater skills for managing their organizations, raising funds, and making connections with other organizations, particularly through CompassPoint’s workshops on effective non-profit leadership. Other community grantees invested in expanding capacity beyond the executive director and explicitly building leadership capacity among program or project managers. This served as a key strategy to broaden organizational leadership, support often over-taxed organizational leaders, and lay the groundwork for future leadership succession.

“There are now many more people to hold on to the heart of the organization, to take care of it and protect it.”

## Community/Collaborative Capacity

This is the area where community grantees naturally demonstrated the greatest strength coming into CLP 1.0, given that the initiative *targeted* organizations that serve low-income communities and communities of color and had presumably built strong and trusting relationships with served communities over time. As such, this is the capacity area where we documented the least emphasis in terms of capacity-building investments, and where we saw the least amount of growth over the course of CLP 1.0. Approximately two-thirds of community grantees that took the organizational assessment, however, still reported increases across all sub-areas of *community/collaborative* capacity, with the greatest area of growth in *community engagement*. Ultimately, strengthened *community/collaborative* capacity has better positioned community grantees to carry out their missions on behalf of the diverse and vulnerable communities they represent. Examples of growth in *community/collaborative* capacity included:

- Several community grantees invested in building their capacity to strategically **engage their community in an advisory capacity**. *Arte Americas*, for example, pulled together an advisory board of local professionals to make connections with potential donors. The *Arab Resource and Organizing Center* also reported revamping their advisory committee to bolster community buy-in and organizational accountability. Others, such as *Monterey Rape Crisis Center*, used CLP resources to hire a consultant to capture Latino community perspectives on issues of sexual violence to both strengthen their service delivery model and hone their outreach strategies. *Walnut Avenue Women's Center* similarly held focus groups to integrate community concerns and priorities into their programming and reported that “this (CLP) grant has strengthened our capacity to identify and effectively respond to our community’s needs.”

- A second area where CLP community grantees invested resources was in **strengthening community outreach capacity**. Multiple community grantees invested in website development (some creating websites for the first time) through their CLP grant. At least one organization also revamped and translated their communications materials to honor the cultural context of their target community. *Boys and Girls Club of the Sequoias*, which merged with another organization over the course of CLP 1.0, hired an expert to create a marketing plan that clarified and improved their organization’s “brand” in their community.
- A final approach to strengthening community/collaborative capacity was to **connect with other organizations**, both within and outside the CLP network. This was most evident with regrants who funded grantees as a cohort, such as AAPIP’s *Community Engagement Fund (CEF)* (see text box), or who intentionally fostered a learning community among their grantees. Other regrants, however, also described community grantees that strengthened their capacity through new connections with entities *outside* of the CLP-funded network, such as other tribes, similar community-based organizations, school districts, or local public sector partners.

“This (CLP) grant has strengthened our capacity to identify and effectively respond to our community’s needs.”

### Civic Engagement Fund for Arab, Middle Eastern, Muslim and South Asian Communities

Developed in the aftermath of 9/11, the Civic Engagement Fund for Arab, Middle Eastern, Muslim and South Asian (AMEMSA) communities has focused on building the capacity of AMEMSA community organizations in the Bay Area. Despite national security-related backlash and discrimination collectively aimed at these communities, most had not worked closely with each other previous to this effort.

CLP funded a second phase of the Civic Engagement Fund, supporting Asian Americans/Pacific Islanders in Philanthropy in creating a safe environment that lessened isolation and encouraged collaboration on the social justice issues facing AMEMSA communities in the Bay Area. Ultimately, the 17 CLP organizations that made up the Civic Engagement Fund reported not just being stronger as individual organizations, but –more importantly—as a collective. By the close of the grant, community grantees had developed trusting relationships with each other and were supporting each other’s events, articulating joint positions on issues facing AMEMSA communities, and joining forces to achieve collective advocacy goals.

Laila Mehta, Director of the Civic Engagement Fund, emphasized the collaborative capacity that has been built through this investment. She explained, “I feel like there is more now a feeling of not only ‘we’re not alone,’ but knowing who to reach out to how to actually build on [what has been started].”

## Building Organizational Social Capital

While the outcomes described earlier represent evidence of how CLP’s re-granted investments have led to concrete changes in organizational capacity, we observed another level of impact not originally accounted for in the CLP 1.0 logic model. By virtue of receiving capacity-building support, organizations report gaining a level of “organizational social capital” that positions them to continue leveraging and *sustaining* investments in capacity building.

In many cases increased organizational social capital can be directly attributable to CLP regrantors’ efforts. As emphasized in Chapter II, a key aspect of CLP regrantors’ approaches has been playing an active role in supporting the capacity building of their grantees. Throughout the first phase of CLP, they have consistently emphasized the importance of serving as “translators” and “connectors” to tools, frameworks, consultants, and networks of peer support.

As part of their grant close-out activities, CLP 1.0 community grantees responded to an outcome survey that included organizational social capital measures. The results, captured in the table below, resonate with regrantor observations that a strong majority of CLP community grantees gained foundational indicators of growth and readiness that can be built on going forward: a deeper understanding of and access to capacity-building frameworks, consultants and tools; greater connections with other organizations in their region; and/or increased opportunities to connect with funders and funding opportunities. One regrantor also stressed the importance of community grantees learning what it takes to grow as an organization, noting: “that was a really important outcome...a more mature understanding of what organizational development is, how important it is.”

The bolded percentages in the table below indicate budget categories with the highest proportion of agreement with the statement. Here, data suggest that smaller, emerging organizations (with budgets under \$100,000) were *most* likely to gain organizational social capital through their CLP participation.

### What is “Organizational Social Capital”?

While the concept of social capital is relatively established in sociological thinking, the concept of “organizational social capital” is largely unexplored to date. Defined as “**established, trust-based networks among organizations or communities that an organization can use to further its goals,**” organizational social capital can be a particularly useful frame to think about capacity building with CLP organizations given the historic

### Percentage Reporting Increased Organizational Social Capital, by Organizational Budget Size

In addition to the outcomes already shared with your CLP funder, which of the following have you gained as a result of your participation in this project?	All	Budget Size (in Thousands of Dollars)		
		Less than \$100	\$100-\$500	More than \$500
An ability to think about challenges that my organization is facing within a "capacity building" framework	84%	<b>86%</b>	82%	84%
A clearer vision of my organization's growth and development	85%	79%	<b>93%</b>	79%
A better understanding of my organization's life cycle and related needs and strengths	70%	<b>86%</b>	68%	63%
Greater familiarity with general foundation language and processes	41%	<b>57%</b>	36%	37%
New/improved relationships with other organizations serving low-income and communities of color in my region	66%	<b>79%</b>	64%	58%
Greater exposure to other funders or funding opportunities	46%	<b>64%</b>	43%	37%
Greater exposure to capacity building tools or systems	66%	64%	64%	<b>68%</b>
New relationships with capacity building consultants who understand our organization and our work with communities	57%	<b>64%</b>	57%	53%

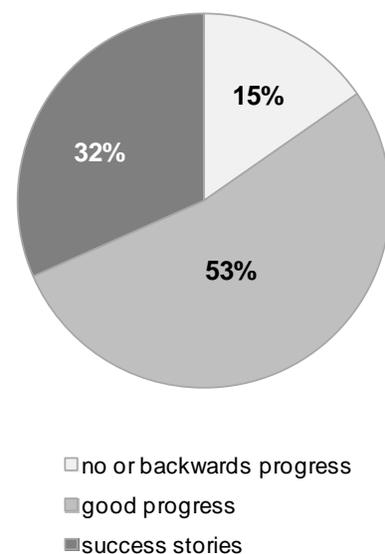
## Characteristics of Success

Although as a *cohort* we see growth in organizational capacity across community grantees, a wide range of experiences underlie aggregated capacity scores. As part of our final conversations with regrantors, we asked them to categorize their community grantees into three groups: those that stood out as real “success stories,” those who made “good progress” over the course of CLP 1.0, and those who made “no progress” or “backwards progress” despite capacity-building support. The breakdown in their categorization is shown in Exhibit 6.<sup>19</sup>

Ultimately, a majority (53 percent) of community grantees were described as proactively leveraging capacity-building investments and making “good progress” over the course of CLP. This is reflected in the findings reported above, where we see modest growth across all CLP capacity areas. Many regrantors shared that “good progress” was a notable success within the economic context of the last few years, where they observed many community-based organizations struggling for survival. Within this group were organizations that some regrantors characterized as “coming back from the brink,” and making good progress even after facing significant set-backs—such as executive director or board turnover, loss of significant funding, or staff layoffs.

A much smaller slice (15 percent) were those community grantees that either made “no progress” or “backwards progress” despite CLP capacity-building investments. Included were organizations that closed their doors, struggled to keep up with IRS requirements (and ultimately lost their nonprofit status), or who could not recover from the loss of organizational leaders or of major funding sources. While typically these cases represented only one or two organizations with their portfolios, CLP regrantors expressed disappointment that these community grantees—often the smallest and most vulnerable—were not able to overcome the challenges they faced.

**Exhibit 6.**  
**Community Grantee Progress**



---

<sup>19</sup> In most cases, exact categorization of community grantees into these categories was done in collaboration with regrantors; in some cases, however, SPR used regrantor final interview reflections of individual community grantee progress to assign a category. *The Women’s Foundation of California* community grantees are not included in this analysis at all, as we were unable to hold a final interview with them due to staff turnover at the foundation. Finally, we do not have enough matched MHO data to assess how this analysis corresponds to the quantitative data.

Finally, across-the-board, regrantors identified real “success stories” within their portfolios. Representing just over 32 percent of the overall CLP 1.0 portfolio, some of these success stories are captured throughout this chapter and in CLP 1.0 organizational profiles that will comprise a forthcoming volume. Across these success stories, a common theme centered on community organizations who were not only able to build some aspect of their capacity through CLP, but were also able to also leverage this capacity to gain further funding. Several regrantors described a kind of snowball effect, where augmented capacity led to opportunities to pursue additional growth and expansion. In fact, two regrantors described some portion of their CLP 1.0 portfolios as so successful in building their capacity that they ultimately became ineligible for additional CLP 2.0 funding because they exceeded the budget ceiling established for Phase II.

**What, if anything, characterized the “success stories”?** Regrantors stepped back to reflect on the characteristics of organizations that seemed best positioned to leverage and benefit from capacity-building investments. While all agreed that there was no formula for success, some common themes surfaced:

- **Committed organizations with a vision for capacity building.** Multiple regrantors described successful organizations as those that were committed to organizational self-reflection and growth, and had a “clear sense of what they wanted to accomplish.” These organizations were observed to be more ready to proactively take advantage of CLP resources and apply them to identified areas of need. Organizations that treated CLP resources as more of a general operating grant without a clear plan in place—or who were distracted from their plan because of competing priorities—were described by multiple regrantors as ultimately lacking the forward momentum to get to the next level.
- **Organizational leaders prepared to serve as stewards of organizational change.** Regrantors also concurred that at the center of successful community grantees were leaders who had the organizational management experience to chart and implement a course for change. One regrantor distinguished between leaders who recognized their role in directing and growing an organization, versus those who only represented visionary organizational founders or leaders trying to move a social movement forward. Another regrantor similarly described a level of “business acumen” required to be effective stewards of organizational capacity building.
- **Organizations with shared leadership models in place.** Several regrantors raised the importance of leaders who operated within a shared leadership framework. Shared leadership obviously served as a safeguard to stay on track with capacity-building investments in cases where organizations experienced executive director turnover. Organizations where executive directors partnered

*“They have to have that trajectory of change. They have to be at that moment when they really are ready to do something different.”*

*“We got a lot further with grantees who owned and understood their role as a director, not just as a leader trying to move a social movement forward.”*

with their boards in tackling organizational development goals were also described as better positioned to address a specific set of outcomes given high levels of buy-in. Executive directors who were able to engage with and delegate to other leaders were similarly able to focus more effectively on capacity-building efforts. One regrantor referred to the importance of an administrative structure beyond one leader as an indicator of organizational readiness to take on capacity-building work.

- **Organizations with strong community buy-in.** Finally, at least two regrantors emphasized the importance of community buy-in as a key facilitator of capacity-building success. This speaks to the vital role that some community grantees play within the low-income communities of color in which they are embedded, such that “closing the doors” would be unthinkable. One regrantor observed successful communities grantees as those where served communities had such a sense of ownership of the organizations, that the community members themselves were vested in the organization’s success. This materialized through community donations of time and support that ultimately propelled community grantees’ work forward.

While it is impossible to isolate the influence of CLP from other factors, we can reflect on the interplay between the organizational characteristics discussed above and CLP contributions to community grantees’ ultimate success. While those organizations characterized by regrantors as “success stories” may have very well survived without CLP, they may not have thrived in the way that they did with the benefit of CLP capacity-building resources. As a number of regrantors described, some of the community grantees appeared more poised to succeed by virtue of certain characteristics; however, CLP provided the tools for them to move forward (e.g., trainings, core operating support used to leverage additional resources, etc.).

## Implications

The strengthened capacity of community grantees reported in this chapter testifies to the value of CLP 1.0 to the growth and sustainability of these 100 supported organizations. The findings also offer important lessons that have implications for the second phase of CLP and for the broader capacity-building field.

As was the case in Chapter II, an important and recurring finding in this chapter—both in the quantitative data and in regrantor observations—is the interrelatedness of different areas of capacity. For example, to be successful at fund development and fundraising, community grantees need to develop not only new and innovative approaches to fundraising (*adaptive capacity*) but also systems, tools, and processes (*operational capacity*) as well as the skills and vision of board members to lead fundraising efforts (*leadership capacity*). Looking forward, these findings resonate with how CLP 2.0 funders and regrantors are taking an integrated approach to capacity building in support of organizational sustainability.

Another finding emerging from this chapter is a potential framework for considering different types of support for different types of organizations. While the sample of organizations is too small to establish trend data, it is notable that medium-sized organizations (i.e., with budgets from \$100,000 to \$500,000) realized the greatest gains in capacity during CLP 1.0, and organizations with smaller budgets (i.e., with budgets under \$100,000) were most likely to report gains in organizational social capital through their CLP experience. This suggests that there may be some baseline level of readiness in terms of exposure to frameworks, tools, and networks that serves as an important precursor to meaningfully leveraging capacity-building opportunities. This finding is also already strongly reflected in the structure of the second phase of CLP, where organizations targeted for support were those small and mid-sized organizations with budgets in the \$50,000 to \$500,000 range. Continuing this line of analysis during CLP 2.0 will offer further insight into this implication for the broader field.

## IV. INITIATIVE-LEVEL OUTCOMES AND LESSONS FROM CLP 1.0

---

*The outcomes that were most notable and interesting about CLP were probably not on our intended list of outcomes. These surprises fit with the spirit of CLP 1.0 as an experiment and [opportunity for] learning. What emerged were really strong new capacities at the intermediary level. Our intermediaries developed new relationships, new abilities to reach a new demographic of organizations, and really polished and sharpened the type of assistance that they themselves offered. These are the best leave-behinds from CLP 1.0.*

–CLP Funder

While the ultimate beneficiaries of CLP were community grantees, the evaluation has also captured a number of powerful outcomes beyond those originally anticipated, as described in the quote above. In this chapter, we summarize initiative outcomes at the intermediary and funder levels before discussing lessons learned on: (1) the effectiveness of a regional approach to capacity building, and (2) the effectiveness of coordination among CLP regrants, funders, and strategies. We conclude by reflecting on the ultimate legacy of the first phase of CLP and considerations for CLP 2.0 implementation.

### Initiative-Level CLP 1.0 Outcomes

Based upon CLP 1.0 activities, we expected regrants intermediaries as well as funders to gain a greater understanding of: (1) the issues facing smaller organizations serving low-income communities and communities of color, and (2) the role of cultural relevance and responsiveness in effective grantmaking and capacity-building methods. This expectation was realized at multiple levels. In our Mid-Point CLP Regrant Evaluation Report, the majority of regrants intermediaries reported transformation in their understanding of the issues faced by smaller organizations working with low-income communities and communities of color. For example, a number reported **expanded awareness and understanding of the needs of different types of organizations in different geographies**, and a **deeper understanding of the multiple challenges that community grantees face**. In addition, they reported placing an **increased emphasis on addressing structural barriers and promoting more culturally competent frameworks of practice**, and credited CLP with creating a **stronger network and**

**infrastructure for capacity building in the three regions** that also allowed them to advance their own organizational missions to support organizations in untapped geographic areas.

In the present report and chapter, we further discuss how CLP 1.0 ultimately influenced regrantors in terms of attitudes and organizational practices, followed by a discussion of CLP 1.0 outcomes at the funder level. While many of these outcomes were not necessarily primary goals of CLP, they are, nonetheless, significant in sustaining the work of the initiative and potentially leaving a legacy of more foundation support for community-based grantmaking—with an emphasis on building the capacity of small organizations serving low-income communities and communities of color.

## **Regrantor-Level Outcomes**

Through their CLP experience, regrantors have continued to learn important lessons about working effectively with small organizations serving low-income communities and communities of color that have translated to some key outcomes:

- ***Increased attention to regrantors’ own organizational development practices.*** Similar to the nonprofits that they supported, many of the regranting intermediaries have also had to weather trying economic times and reflect on their own organizational capacities. As regrantors instilled in their community grantees the value of investing time and resources in organizational capacity building, one regrantor shared, “One of the effects that CLP has had on us is that we now value capacity building and organizational development more highly and think about our own planning and lines of business.” Another regrantor spoke about the need to “walk the talk” of organization development by first taking an organizational development (OD) assessment and examining areas for improvement before asking their community grantees to do the same.
- ***Application and sharing of CLP tools and resources to other areas of work.*** By virtue of investing time in researching and administering a more comprehensive OD assessment tool to community grantees, Rose Foundation staff shared that they have begun to find ways to administer the tool in other programs as a basis for using data to drive organizational planning and decision-making. In addition, the foundation has focused on developing and vetting a list of culturally competent and qualified consultants in a number of capacity areas that they felt confident sharing with their community grantees and colleagues.
- ***More intentional grantmaking practices to help grantees begin new work with a capacity-building lens.*** Regrantors report how CLP has led them to challenge grantees in their front-end thinking. The Horizons Foundation has intentionally incorporated a stronger capacity-building point-of-view into their grantmaking. For example, they now ask organizations to conduct strategic planning and articulate desired outcomes in order to be more effective in their work.
- ***Deeper relationships with communities of color.*** Horizons staff also shared that CLP led them to deepen its relationships with a number of different communities of color. Although these relationships, for the most part, had already existed,

many of Horizons' previous grants had been more modest in size. CLP allowed Horizons staff to engage at a different, more intensive level with their community grantees:

*Our relationship with those organizations . . . became richer and deeper, and I think that that has been very, very valuable for [us]. We have not been able to find other funds to continue CLP-like support, but we are ever hopeful that we will, because this work is far from done.*

In addition, APPIP staff expressed appreciation for the ability to invest in fewer organizations or smaller cohorts to achieve better results. This approach not only allowed the regrantor to develop more trusting relationships with their community grantees, but also to focus and fully support the growth of community grantee partners over a longer period of time.

- ***Taking nonprofit support to a greater scale.*** During CLP 1.0, there was an overlap between the CLP program and larger nonprofit capacity-building efforts at the CFMCO. Staff saw where there were common needs between CLP 1.0 community grantees and other foundation grantees and tried to build resources and trainings around both groups—e.g., a five-part donor development series and board development workshops. These resources have become institutionalized as part of CFMCO's broader approach to capacity building. CFMCO staff shared, "This has become a real area of competency we have" and noted that they have created another capacity-building program for larger organizations modeled after CLP.

## Funder-Level Outcomes

In addition to the outcomes reported by regranting intermediaries, the CLP funders also described some significant outcomes that resulted from their active participation in this initiative, including the engagement of their colleagues and changes to grantmaking approaches.

- ***Sharing of CLP lessons with other program staff.*** The CLP funders reported regularly sharing CLP learnings with colleagues at their foundations. For example, they invited colleagues from other program areas to participate in CLP convenings to get to know the intermediaries, the community grantees, and their work. Additionally, CLP has been featured in program staff meetings and learning forums multiple times. According to one CLP funder, "We have already and will continue to look for ways to try to bring those lessons into our practice more broadly here at the foundation." Further, CLP has helped to deepen conversations about diversity, equity, and inclusion, as one funder shared:

*There is a big generational shift in our board leadership that is occurring at the foundation, and it is creating opportunities to have deeper discussions about diversity, equity, and inclusion. CLP learnings are right at the tip of my tongue in every one of these conversations.*

- ***Influenced thinking on other grantmaking initiatives targeting underserved communities.*** All three funders described how their foundations were leveraging

learning from CLP to influence other grantmaking initiatives targeting either the same specific regions, or other regions characterized by low-income communities or communities of color. For example, one funder described applying lessons to their performing arts program, opening a letter of inquiry process for the first time in four years and articulating specific preferences and priorities for community-based organizations with budgets under \$2 million in underserved areas of the region:

*All of that has trickled from the learnings of CLP and as well as looking at the constellation of our portfolio in performing arts and where the gaps are, where we have historically under-capitalized.*

Similarly, another funder shared that CLP was influencing the thinking on an emerging program strategy focusing on very small advocacy and service organizations working with young women of color and low-income women in Louisiana and Mississippi:

*There is a lot of organizational capacity and network capacity that needs to be built there and we need to learn as a foundation about how to work effectively in those communities. We've never worked in the American South before and there are a lot of lessons from CLP that can be applied there—from how we think about using organizational assessment to how we think about working with intermediaries to how we think about leadership development and leadership capacity.*

## **Initiative-Level Lessons from CLP 1.0**

In Phase I of CLP, the funders embraced a design philosophy of “letting one thousand flowers bloom” so that CLP could support a variety of capacity-building approaches, organization-types, fields, and geographic regions. This has been a tremendously complex initiative with multiple levels of involvement by various entities.<sup>20</sup> The regranting strategy was set up so that—in partnership with well-networked regrantors—a large amount of funds could be distributed to small community-based organizations unknown or not well known to the three CLP funders.

At the end of CLP 1.0, we were interested in feedback and reflections from the regrantors and funders on what worked well and what was missing from CLP 1.0 organization and structure. Here we review major lessons that surfaced both from their feedback and from SPR’s ongoing documentation of CLP 1.0’s implementation.

---

<sup>20</sup> Specifically, the CLP 1.0 initiative involved three major funders, 13 regrantors (including Zero Divide), 10 leadership intermediaries, five TA intermediaries, 100 community grantees, and hundreds of leadership and TA participants.

## Lessons on Design

- ***Using a geographic or regional approach can be less controversial than targeting specific issue areas or racial/ethnic groups, but also challenging from an equity point of view.*** In an initiative such as this one, there was pressure to focus on specific ethnicities or races in specific regions. However, one funder shared that when trying to build a non-profit ecosystem, it is important to keep the focus on building strong, resilient organizations rather than particular racial/ethnic groups or issue-specific sectors—the latter of which is complicated by the existence of many multi-service agencies.

A critical lesson learned from this approach was CLP 1.0's ability to navigate this challenge and ***create an environment for “cross-pollination”*** among a diverse mix of organizations ranging from the arts to environmental organizations. Thus, geography became a uniting rather than dividing factor. At the same time, CLP's approach to ensuring that a variety of areas were included (urban and rural) raised questions about how to equitably distribute resources to regions that have relatively less funding and capacity-building infrastructure while simultaneously having tremendous needs.

- ***Large-scale, complex initiatives such as CLP require upfront infrastructure to support coordination across regions.*** Originally, the regional-based approach was an outgrowth of the goal to ensure broad reach. While acknowledging its potential, we found that regrants and funders generally did not see the regional-based approach as effective due to the lack of support for coordination of community grantee recruitment and selection, as well as limited ongoing communication across intermediaries. Left to their own devices, and despite cross-regional convenings, the level of coordination across regrants was low—with the exception of a cluster of regrants in the San Joaquin Valley. As one funder commented, “If this [coordination] was happening, it was because we've got some fantastic intermediaries who saw this as a value.”

The implication is that in order to establish a learning community and facilitate strong coordination, there needs to be an expectation set and infrastructure established (e.g., regular touch points, an easily accessible communications platform, and a designated facilitator).

- ***Although initiative strategies may be conceptually distinct, on-the-ground implementation requires integration.*** Overall, there was widespread consensus among the funders and regrants that there was no or very little coordination among the different CLP 1.0 leadership, regranting, and technical assistance strategies. This presented multiple challenges given the overlap in the communities being targeted. Not only was this conceptually confusing for those on the ground who saw CLP as a single initiative, but it was also frustrating for regrants who perceived missed opportunities to collaborate and amplify efforts. Multiple regrants shared that there would have been greater impact if there had been more knowledge of TA providers' services. Regrants needed assistance not just in brokering relationships, but also in acquiring basic information about TA and leadership services and any parameters around grantee access. In Phase II of CLP, the funders are supporting a rich and coordinated menu of TA services in

which regrantors help to match available TA services to community grantees' needs, which appears to be a more effective model.

- ***Evaluation is a critical element to include from the very beginning.*** SPR was not brought on as an evaluator until mid-way through the first phase of CLP. As previously discussed, this introduced a number of challenges as many regrantors had already moved forward with their own organizational assessments by that point. Further, because they had already established commitments with their community grantees about expectations for CLP participation, some regrantors were understandably protective of any additional time burdens introduced by an evaluation. As a result, SPR had to modify its evaluation workplan and the CLP funders supported SPR in offering stipends to community grantees for any participation in the CLP evaluation. After addressing these logistical hurdles and investing in relationship building, ultimately, we were able to effectively partner with intermediaries in raising valuable lessons that informed the design of CLP 2.0.

## Lessons on Implementation

- ***Transformative work with communities begins with funders' willingness to experiment, learn, and foster direct communication.*** Regrantors reflected on some key aspects of the funders' approach that set the tone and distinguished the initiative from other philanthropic efforts. One regrantor observed that it was significant, for example, that CLP funders were willing to approach this work with a strong awareness of how traditional philanthropic practices might pose barriers to engagement with communities. Further, the funders were willing to not hold CLP participants to pre-defined outcomes, which might have inhibited their ability to experiment and be adaptive:

*Philanthropy, in my experience, does not also give itself the opportunity to experiment in that way that is transformative for the common good. The experimentation often happens by the grantees that they support, but this CLP experimentation was about the way in which the funders interacted and touched the community at large. It was about them as philanthropic institutions and I think that's inspirational, transformative.*

In addition, regrantors appreciated the CLP funders' accessibility as partners in the work. They noted the funders' attempt to open channels for the regrantors to directly communicate with them. One regrantor commended the funders for their willingness to engage in dialogue as issues came up over the course of CLP 1.0: "We were all building the ship while we were sailing it. The funders were really willing to be a part of the process and not just react, but to be really interested and curious and helpful about the issues that came up."

- ***Attention should be paid to the guidance needed by different types of regranting intermediaries.*** While a couple of regrantors appreciated the latitude to be creative in their approach, others desired more structure and guidance. According to one regranting intermediary, more clarity on regrantor roles and responsibilities—beyond providing grants—would have been helpful: "As far as adequate direction and support, we got a lot of space to be innovative, [but] it was a little hard at the very, very beginning, particularly with two rounds of CLP

funding. I couldn't quite understand how much our funder wanted us to deliver as an organization versus leverage the partners to deliver." Another regrantor mentioned that it would have been helpful to have more clarity on how success is defined and on terms and criteria for community grantee selection. Regrantors that expressed the most need for guidance were organizations that were not traditional philanthropic foundations and had not done much competitive regranting, but were well connected to diverse communities.

- ***Ongoing and intentional sharing of promising practices may lead to replication and adoption in other regions.*** Our discussions with regrantors revealed some promising practices that could have been strategically replicated in other regions:
  - ***Leveraging partnerships with local funders.*** Regrantors' efforts to network with other funders has had important payoffs in terms of sustaining CLP 1.0 efforts—specifically by priming the larger resource pool available for small community-based organizations. One regrantor reported how they had taken the initiative to build relationships with multiple local community foundations, which provided a space for them to have conversations about supporting some of the small community-based organizations that participated in CLP:

*There's a blind spot on their end about these other groups. That's going to have an impact eventually on where they give...Some are just not going to be able to move their boards to give to these groups, but they're at least allies on some of the issues we're trying to get at, including ensuring there is capacity and sustainability for these organizations, who would otherwise be squeezed out of charitable giving in the community.*
  - ***Strategic regional coordination.*** While regional coordination was low overall, the regrantors in the San Joaquin Valley were able to foster collaboration over the course of the initiative that benefitted not only them, but also their community grantee cohorts. Community grantees benefited from being connected with each other through joint convenings, trainings, and/or information sessions. This helped to build networks that strengthened the *region's* capacity to serve their shared community. One of the involved regrantors elaborated as follows:

*We cannot overstate the positive impact of the partnership among fellow CLP regranting organization and technical assistance provider CompassPoint. From the outset, we designed a program that would ensure that our grantee organizations and those of our partner regrantor would together receive training and participate in peer learning circles facilitated by CompassPoint.*
- ***The intersection of race, ethnicity, culture, and class in communities of color can be challenging to address head on in capacity-building work.*** When asked, funders and regrantors varied considerably in communicating the values underlying the focus on low-income communities and communities of color. Some were able to readily articulate their rationale for engaging in this work. For

example, one funder shared that immediate action is required given rapidly changing community demographics and persistent disparities across race, stating simply: “It’s the right thing to do. It’s the entire motivation for philanthropy.” Others were not able to explicitly express the values that guide their work with community grantees. Therefore, how this commitment translates into *practice* is an area where CLP funders, regrants, community grantees, and evaluators are still lacking shared language and frameworks to meaningfully articulate how this project specifically worked or did not work for communities of color.

While Chapter II offers an abundance of lessons that can be applied to capacity building within low-income communities and communities of color, it has sometimes been challenging to pinpoint how issues of race, ethnicity, or culture were specifically addressed in CLP stakeholders’ capacity-building work. This challenge may speak to the need for building the capacity of regrants and capacity-building providers—possibly by encouraging deeper reflection on how issues of power, access, and oppression create inequities that are being addressed by CLP.

## Lessons on Funder Collaboration

- ***Specific aspects of CLP funder collaboration present an emerging model for others to consider.*** A factor undergirding CLP 1.0’s success was the collaboration of the three CLP funders. Coming into Phase I of CLP, all three foundations had previously worked with each other, thus bringing to CLP 1.0 a mutual trust at the onset. Funders pinpointed specific aspects of their collaboration that present promising practices for future funder collaborations to replicate:
  - Significant financial commitments from their specific institutions that signaled a high level of commitment to the work;
  - Engagement of foundation presidents, that allowed CLP senior program officers/staff the authority and sense of mission to successfully execute CLP’s goals;
  - A fundamental shared vision for the work and openness to assuming the associated risks of collaborative funding;
  - Established common practices (such as common grant proposals and reporting templates, aligned deadlines and payment points, etc.);
  - Consensus decision-making on all operational and conceptual issues;
  - A culture of learning among the CLP program officers/staff and their respective foundations.
- ***Funder collaborations require high levels of time and coordination, particularly within complex initiatives like CLP.*** While the funders knew that collaboration would take an investment of time, they still underestimated how much it would really take to achieve the desired results. In addition, determining how much time should be dedicated to managing and monitoring the project had to take into account factors such as: (1) the amount of time it took to adequately

communicate expectations to community grantees and to work with a multitude of consultants; (2) the accountability and learning needs of respective foundations; and (3) the need to navigate the ebbs and flows at the three foundations. In retrospect, one funder stated, “The project would have warranted a dedicated project manager, and it didn’t have that. I think that bedeviled the project throughout.”

- ***Greater funder adaptability and responsiveness would have enhanced community grantees’ effectiveness.*** The staffing arrangement across foundations may have limited the funders’ ability to be more adaptive as the project progressed. Funders believed that they should have been quicker in responding to intermediaries’ feedback, making changes to their grants, approving different budgets, and generally making it easier for intermediaries to make modifications to their work.

Over the course of the first phase of CLP, one funder observed that three types of regranting intermediaries emerged: (1) those that were reflective and adapted well, (2) those that had the potential to work well if they had systems in place to encourage adaptation, and (3) those attached to their original set of assumptions and were not adaptive. The funders believed that they could have provided more support to the middle group of intermediaries: “If we could’ve set up systems and practices that encouraged it and made it easy, it would’ve...amplified the benefit to the community grantees.” As noted earlier, the level of funder flexibility and agility to move depended, to some extent, on the three foundations’ intersecting availability to meet, discuss, and work on CLP.

Despite the challenges discussed above, the funders’ warm and trusting working relationships with each other helped them tremendously in moving together and designing a more strategic and streamlined second phase of funding for CLP.<sup>21</sup>

## Implications

In summary, CLP 1.0 had powerful impacts on the knowledge, attitudes and practices of both regrantors and funders. Furthermore, CLP 1.0 surfaced key lessons that can inform ongoing capacity-building work and the work of philanthropic and nonprofit colleagues interested in engaging organizations serving low-income communities and communities of color. To the credit of CLP funders, many of the most straightforward lessons have already been applied to the design and implementation of the second phase of CLP, namely:

- Providing transparency in expectations across all CLP stakeholders;

---

<sup>21</sup> For example, the funders decided that the approach they had before where every foundation gave a grant to each grantee (3 grants total) could be improved upon, so for CLP 2.0, they have divided the grants responsibilities (e.g. one funder only per intermediary) and the work of the initiative. For example, one funder is now responsible for communications on the CLP website, another manages the evaluation, and the third leads CLP convenings.

- Intentionally coordinating regrantors and technical assistance intermediaries, and providing clarity around available services to community grantees;
- Creating an infrastructure and communications platform that can be used for networking, information sharing, and learning;
- Prioritizing the leaving behind of a sustainable network at the intermediary level, while also fostering connections at the community-grantee level;
- Meaningfully engaging key community stakeholders through the lens of increasing access and sharing power;
- Integrating evaluation at the onset of funding, including ensuring consistency in evaluation frameworks and tools across intermediaries;
- Investing in intermediaries as part of the “supply side” of capacity building to ensure the development of sustainable, regional, capacity-building infrastructure.

What sets CLP apart from other capacity-building initiatives is the explicit focus on organizations serving low-income communities and communities of color—where learning continues to evolve. One funder characterized this work as “high risk and high reward,” sharing that this work cannot be treated like other grantmaking portfolios in that it requires stepping outside of one’s comfort zone and talking personal and professional risks:

*You're going to have to pay attention to where you're uncomfortable and where you're learning, but the impact, the benefit is fantastic, personally, professionally, and in the field.*

While we have learned much about culturally competent capacity-building approaches within low-income communities and communities of color, we also recognize that there is still much to be explored. What are the *unique* contexts, strengths, and challenges faced by organizations led by people of color or those that serve low-income communities or communities of color? How do issues of structural racism influence access to mainstream resources and networks, and what are the nontraditional resources and networks within communities of color that can be lifted up and strengthened? Especially given that “capacity building” can be a deficit-based paradigm of “fixing” areas of weakness, how do intermediaries take an asset-based approach that builds upon the indigenous strengths of community grantees as well as the *communities* that they serve? To what extent are imbalances of power mitigated through co-creation of success indicators and/or engagement of “border crossing” individuals with lived experience in communities to support sense making within capacity building work? How do regrantors and capacity-building providers navigate issues of mistrust that can be embedded within communities of color that have been historically left out and/or exploited by mainstream philanthropy? Assuming that CLP’s ultimate success will be judged by its impact on community beneficiaries, an explicit and continued focus on outcomes and learning for diverse racial and ethnic groups must remain a central priority of this initiative.

## V. SUMMARY OF IMPLICATIONS

---

Synthesizing implications across chapters, we can see some clearly defined points in an emerging framework for culturally competent capacity building. This framework should be useful not just for the CLP initiative, but also for a larger philanthropic audience interested in working with small organizations serving low-income communities and communities of color.

First, foundations need to be clear about their **commitment to and values behind investing in diverse communities**. Respondents affirmed the need for funders to clarify the values and reasons for engaging in an initiative focused on low-income communities and communities of color, and the extent to which this work is different from other capacity-building efforts. At the same time, funders need to be comfortable taking risks and letting go of pre-defined indicators of success.

Funders must also be prepared to **invest in support for capacity building, emphasizing infrastructure and networks** from the onset. This covers the infrastructure of the initiative itself—such as evaluation processes and an online platform for collaboration and communication—but also the infrastructure that should be in place post-initiative. Respondents repeatedly stressed the need to address the supply side of capacity building by leaving in place a network of capacity-building resources and consultants, as well as peer networks of support that community grantees can continue to draw on after the initiative is over. The building of such peer networks is greatly facilitated by a concentration in geography and issue area, as well as by the mission of community foundations to convene local and like-minded organizations.

The **readiness of community grantees to engage in this work** is also a critical point on the framework. Both regrantor interviews and organizational assessment data indicate that there may be some baseline level of community grantee readiness related to organizational size and possibly associated conditions. More specifically, medium-sized organizations with budgets between \$100,000 to \$500,000 realized the greatest gains in capacity and were perhaps best positioned to do so given a threshold of organizational stability paired with greater flexibility than their larger-sized counterparts. Regrantors also cited other indicators of community grantee readiness, such as deep-bench staff involvement early on, a shared leadership model, a clear vision for the organizational change process, and pre-existing peer networks.

Regrantors played a critical role in facilitating community grantees' success. A key theme to emerge in this final report was that community grantees began to see their regrantors as a larger, gateway resource beyond just the strict role of CLP funder. This development can be seen as part of a larger theme of CLP and the capacity-building needs of small grassroots organizations—that is, the need to **rethink the traditional funder-grantee relationship**. A successful regrantor must be willing to play a more intensive, collaborative role that requires a high degree of physical presence, as well as highly customized and flexible assistance. They must also be able to take risks and move away from outcome-driven expectations. Comfort with non-linear processes and allowing self-determination of community grantees in setting their capacity-building goals were also critical to effective regrantor approaches.

The ultimate changes in capacity described in this report show that community grantees have, indeed, made important strides in strengthening their organizations—particularly in programmatic capacity. An important and recurring finding was the **interrelatedness of different capacity areas**—such as the overlap of leadership and adaptive capacity with regard to fund development. Supporting and analyzing these capacities in a more integrated fashion is therefore critical.

Finally, in thinking through the ultimate success of the CLP initiative, we must be mindful not just of community grantee outcomes and capacity changes, but also of the way in which community stakeholders have been meaningfully engaged as partners with regrantors and funders in the design and execution of their work, and the ultimate benefits and lessons for low-income communities and communities of color specifically.

# Appendix A - Community Leadership Project 1.0 Logic Model

**Vision:** Ensure that organizations serving low income communities and communities of color have access to funding resources, technical assistance, capacity-building and leadership development approaches in order to better serve and benefit these communities.

## Goals

**Build the capacity of small and midsize organizations** working in low-income communities and communities of color (LI/CoC) to achieve their missions

**Improve private foundations' understanding of and support for** the needs, challenges and strengths of LI/CoC organizations

**Learn which capacity-building approaches are most effective** in building org capacity

### Assumptions for Effectiveness

Multi-year general operating support

Partnership with regional intermediaries with strong networks & understanding of diverse communities

Support of small nonprofits as the vehicles by which we reach, benefit LIC/CoC.

Focus on & Promotion of:

- 1) Leadership with capacity to engage LIC/CoC
- 2) A learning culture that is asset-oriented & transparent
- 3) A context to explore the intersection of race, class in capacity building
- 4) A variety of models, approaches, supports for capacity building to meet different needs & types of organizations

## Target Population

### Nonprofits

**Focus:** Serving low-income communities and/or communities of color in urban and rural areas

**Size:** Annual budgets between \$25,000 and \$2 million

**Field:** Any program field or domain aligned with CLP funders' priorities

### Individual Leaders

Leaders, especially PoC, working in nonprofits serving LIC/CoC

### Geography

San Francisco Bay Area (5-6 counties)

Central Coast (3 counties)

San Joaquin Valley (8 counties)

## Strategies

### Partner with intermediaries

#### Tailored regranting and capacity-building initiatives for 100 organizations

- Multi-year core support
- Organizational development assistance and coaching, tailored to each grantee

#### Group technical assistance for 300+ organizations

- Fund development training
- Management skills
- Executive director skills
- Peer learning

#### Leadership development for 500+ leaders

Using a variety of models and approaches (especially) for leaders of color

#### Promote learning among nonprofits, intermediaries and foundations

Convenings

Sharing knowledge, networks and resources within and across regions

Identifying opportunities for coordination or collaboration

Collaborative management of the project by Packard, Irvine and Hewlett

## Short-Term Outcomes

### Nonprofits

Demonstrated progress & enhanced competence in key areas of nonprofit management to serve LI/CoC, including:

- 1) Leadership Capacities
- 2) Operational Capacities
- 3) Adaptive Capacities
- 4) Programmatic Capacities
- 5) Community/Collaborative Capacities

### Individual Leaders

Strengthened leadership and management skills to lead LI/CoC organizations

Greater knowledge and analytical skills of social inequalities, community history & context and the advocacy skills to influence philanthropy and policy

Demonstrated humility, cultural relevance and capacity to negotiate multiple identities

Renewed commitment and inspiration for leaders' work leading to greater sustainability

Increased capacity to collaborate in teams and exercise external influence through networks to benefit LI/CoC

### Foundation & Initiative

Greater understanding of issues facing smaller organizations & LI/CoC

Greater knowledge of the role of cultural relevance and responsiveness in effective grantmaking & methods of capacity-building

## Long-Term Outcomes

### Nonprofits

Improved ability to adapt to change for improved organizational performance, relevance, and impact

Greater financial stability and access to financial and capacity-building resources

Expanded & strengthened networks across communities, sectors & regions

### Individual Leaders

Strengthened capacity in the ED and other executive staff's ability to realize their collective vision and sustain themselves in their work

Increased collaboration, learning and resource sharing across boundaries

Strengthened pipeline of diverse organizational & community leadership

### Foundations & Field (Philanthropy & Nonprofit Sector)

Greater capacity to support innovative organizational strategies that produce transformative results for communities of color;

**Ultimate Outcome:** Greater capacity to reach, engage and serve LI/CoC based on greater awareness of dynamics of power and culture

**Underlying Values:** Our future in CA depends on the success of the communities of color that comprise a majority of our population. Two necessary components of a vibrant and diverse democracy are effective community-based organizations and diverse leadership throughout California's nonprofit sector.

## **Appendix B: Measuring Organizational Capacity**

This appendix provides technical information on data collected to measure capacity areas across the community grantees using the My Health Organization© survey and the alternative assessment taken by the eight Rose Foundation community grantees. The attachment describes how the items on the MHO and alternative assessment were mapped to the five capacity areas, the response rates across regrantors and community grantees, the reliability of the capacity area measures, and the limitations to our analyses.

### **Mapping Assessments to Capacity Areas**

Mapping the MHO and alternative assessment items to the five CLP 1.0 capacity areas was an iterative process, drawing on the TCC Group's Core Capacity Building Model and SPR's experience evaluating organizations that serve low income communities and communities of color.<sup>22</sup> As part of the logic model process, SPR adapted the TCC model to include additional components of programmatic and community/collaborative capacity. Within each capacity area, SPR staff also expanded and/or developed specific sub-measure descriptions and indicators. From there, we completed an initial mapping of the items on the MHO and alternative assessment to the capacity and sub-measure areas.<sup>23</sup> Based on these mappings, we created initial capacity and sub-measure scores and checked the reliability of these scores using Cronbach's alpha (see reliability section for more information). Scores with initial reliability estimates below 0.70 were carefully reviewed to ensure items that were mapped to the same construct could be expected to be internally consistent. Careful review of items on the assessments led to some adjustments to the mapping and how we calculated the capacity and sub-measure scores.

### **Response Rates**

At both baseline and follow-up, a main challenge collecting these capacity data was the additional burden it placed on grantee organizations, which translated into an overall low response rate across the community grantees. While community grantees from each regrantor participated, the overall response rate at the community grantee level was 59 percent at baseline and 56 percent at follow-up, summarized in Exhibit 1 on the next page.

---

<sup>22</sup> See *What Makes an Effective Advocacy Organization? A Framework for Determining Advocacy Capacity*. (January, 2009) TCC Group.  
[http://www.calendow.org/uploadedFiles/Publications/Policy/General/EffectiveAdvocacy\\_FINAL.pdf](http://www.calendow.org/uploadedFiles/Publications/Policy/General/EffectiveAdvocacy_FINAL.pdf)

<sup>23</sup> Some of the MHO and alternative assessment items were mapped to more than one capacity area or sub-measure.

### Exhibit B-1: Response Rates by Regrantor

Regrantor	Community Grantees	Baseline		Follow-up	
		Number	%	Number	%
Asian Americans/Pacific Islanders in Philanthropy	13	8	62%	4	31%
Alliance for California Traditional Art	8	5	63%	7	88%
California Rural Legal Assistance	9	2	22%	5	56%
Community Foundation for Monterey County	9	2	22%	2	22%
Hispanics in Philanthropy	6	2	33%	4	67%
HomeBase	5	4	80%	2	40%
Horizons Foundation	7	3	43%	3	43%
Immigrant Legal Resource Center	7	3	43%	1	14%
Rose Foundation	8	8	100%	8	100%
The San Francisco Foundation	9	9	100%	9	100%
Silicon Valley Community Foundation	10	7	70%	7	70%
Women's Foundation	9	6	67%	4	44%
<b>Total</b>	<b>100</b>	<b>59</b>	<b>59%</b>	<b>56</b>	<b>56%</b>

### Reliability of Capacity Measures

At both baseline and follow-up, we used reviewed the reliability of the capacity measures and sub-measures using Cronbach's alpha. Reliability coefficients reflect how consistent responses are for questions that measure the same construct and range from 0.00 to 1.00. Estimates above 0.70 are considered acceptable and those above .0.80 considered good.<sup>24</sup> Because reliability depends on a number of factors, including the number of items that are used to measure a construct and the range of respondents and responses, we did not expect all measures to reach the 0.70 threshold. Cronbach's alpha reliability estimates for the capacity and sub-measure scores are summarized in Exhibit 2 below.<sup>25</sup> All of the major capacity area scores produced reliability estimates above 0.75 at baseline and follow-up.

<sup>24</sup> See George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference. 11.0 update* (4th ed.). Boston: Allyn & Bacon; Nunnally, J. & Bernstein, I. (1994) *Psychometric Theory* (3rd ed.) New York: McGraw Hill.

<sup>25</sup> Reliability estimates for Rose Foundation data are not presented because the eight available responses were not a sufficiently large enough sample to estimate the reliability of the subscales with confidence.

## Exhibit B-2: Reliability of Capacity Area and Sub-Measures Scores

Capacity and Sub-capacity Areas	Number of questions	Baseline reliability	Follow-up reliability
<b>Leadership</b>	<b>10</b>	<b>0.85</b>	<b>0.77</b>
Board development	2	0.66	0.52
Board leadership	5	0.73	0.71
Organizational leadership and decision making	6	0.74	0.66
Sustainability of leadership	1	—	—
<b>Operational/Systems</b>	<b>29</b>	<b>0.91</b>	<b>0.91</b>
Facilities	1	—	—
Fundraising and fiscal management	4	0.54	0.61
Staff assessment and development	10	0.83	0.85
Staff recruitment and retention	5	0.71	0.70
Staff relations	3	0.61	0.70
Team based management and staff structure	3	0.72	0.60
Technology and information system capacities	4	0.68	0.70
Volunteer management	1	—	—
<b>Adaptive</b>	<b>9</b>	<b>0.84</b>	<b>0.83</b>
Access to and use of decision-making tools and supports	3	0.63	0.55
Organizational and environmental learning	5	0.72	0.69
Programmatic learning	3	0.65	0.73
Resource sustainability and adaptability	1	—	—
<b>Programmatic</b>	<b>5</b>	<b>0.77</b>	<b>0.78</b>
Program delivery	2	0.49	0.52
Program evaluation	2	0.73	0.62
Program staff management	1	—	—
<b>Community/Collaborative</b>	<b>11</b>	<b>0.87</b>	<b>0.88</b>
Community alignment	4	0.77	0.76
Community engagement	5	0.79	0.81
Community outreach skills	4	0.74	0.77

## Limitations

All of the limitations from Mid-Point CLP Regranting Strategy Evaluation Report apply to this final report. An additional limitation is that the analysis looks at changes in scores across different groups of grantees because not all grantees completed both the baseline and the follow-up assessments. Key limitations include:

- **Assessments not designed to measure capacity areas.** Fundamentally, a key limitation is that neither the MHO nor the alternative assessment was specifically designed to measure the five capacity areas of the CLP logic model. Also, there is limited published information on the development and psychometric properties of the MHO and the alternative instrument, specifically as related to establishing *validity*, that is, that the instruments measure what they claim to measure. While the iterative mapping process involved feedback from multiple team members, further exploring the validity of inferences based on these instruments for the five capacity areas was beyond the scope of this project.
- **Different assessment tools.** Not all community grantees completed the same assessment. The majority completed the MHO, but the Rose Foundation community grantees completed an alternative assessment. While the items were mapped to the same constructs, the data are not fully comparable across these organizations because the questions asked respondents to rate themselves on items that represented different indicators of the capacity areas, depending on the assessment they completed. Further complicating the comparability of data is the fact that the MHO survey has two different versions for different types of organizations: Social Service and Social Change. Across community grantees—and even within community grantees at organizations where multiple respondents completed the survey—participants used both survey types. While the item areas are identical across surveys (e.g., *mission statement*, *board fundraising*, *community presence*), the descriptors on the rating scales differ on some questions by survey type. Even among MHO respondents, the data are not fully comparable because of the different survey types used.
- **Low reliability for smaller subscales.** Low reliability for some of the sub-capacity area scores means that findings for those areas should be interpreted with caution due to higher measurement error. Also, single item-scales cannot be evaluated for reliability using Cronbach's alpha; five of the sub-capacity scores consisted of one item only. For sub-capacity areas with low or no reliability estimates, it is particularly important to triangulate across multiple data sources to support findings.
- **Representativeness of sample.** Overall low response rates among community grantees mean that data collected is not representative of *all* community grantees at baseline and at follow-up. Instead, the findings represent one perspective on how *some* grantees rated themselves on the questions in the MHO and the alternative assessment. For this reason, we caution readers to keep these low response rates in mind when interpreting the results presented as there could be a selection bias

among community grantees that were more (or less) responsive to participating in the assessments.

- **Lack of matched data.** One of the biggest limitations to the data for measuring change over time is that not all of the same organizations completed the baseline and the follow-up administration. To maximize the amount of data available for analysis, change was measured by comparing averages over groups rather than calculating change for individual organizations and then averaging across groups. Of the 100 organizations, 59 completed the baseline and 56 completed the follow-up, but only 42 completed both. Using an unmatched sample enabled us to maximize the amount of data (and better represent the community grantees), but it meant the baseline and follow-up scores are not from the same organizations and it precluded us from running statistical tests for significance. To check the results, we also conducted a subgroup analysis for the 42 organizations that had both baseline and follow-up data. As with the group-level averages, results showed increases in all capacity areas and sub-areas following the same or very similar patterns. For the organizations with both baseline and follow-up data, almost all of the increases were statistically significant.
- **Self-reported data.** Finally, it is important to remember that the data collected using the MHO survey and the alternative assessment are self-reported data and may reflect potential biases on the part of respondents.

## Overview of Scores and Changes in Capacity

Exhibits 4 and 5 summarize all of the capacity and sub-capacity area scores overall, by region, by budget, and by field at baseline and at follow-up. We use highlighting to distinguish between four different bands of scores and show patterns across capacity areas and grantee characteristics:

**Bright red:** Scores below 2.00

**Light red:** Scores between 2.00 and 2.49

**Light green:** scores between 2.50 and 2.99

**Bright green:** Scores above 3.00

Exhibit 6 provides an overview of the amount of change in each area overall, by region, budget, and field. Highlighting distinguishes between five levels of changes in scores:

**Medium red:** Negative change greater than 0.25

**Light red:** Negative change between 0.01 and 0.24

**Light green:** Positive change between 0.01 and 0.24

**Medium green:** Positive change between 0.25 and 0.49

**Dark green:** Positive change greater than 0.50

**Exhibit B-3: Overview of Capacity Areas and Sub-Measures Overall and by Region, Budget, and Field at Baseline**

Capacity areas and sub-measures	Avg	By region			By budget			By field				
		Bay Area	Central Coast	San Joaquin Valley	Under \$100K	\$100K-\$500K	\$500K+	Arts and culture	Civic engagement /organizing	Ethnic/ immigrant services	Health	Human services
<b>Leadership</b>	<b>2.66</b>	<b>2.64</b>	<b>2.80</b>	<b>2.66</b>	<b>2.61</b>	<b>2.67</b>	<b>2.70</b>	<b>2.94</b>	<b>2.68</b>	<b>2.64</b>	<b>2.49</b>	<b>2.57</b>
Board development	2.13	2.18	2.28	2.03	2.10	2.12	2.19	2.50	2.17	2.01	1.77	2.11
Board leadership	2.87	2.82	3.05	2.89	2.83	2.81	3.04	3.15	2.76	2.96	2.87	2.82
Organizational leadership and decision making	2.99	2.93	3.01	3.06	2.99	3.01	2.93	3.12	3.06	2.94	3.13	2.84
Sustainability of leadership	2.37	2.33	2.33	2.45	2.54	2.30	2.35	3.00	2.25	2.50	2.10	2.26
<b>Operational/Management/Systems</b>	<b>2.47</b>	<b>2.46</b>	<b>2.54</b>	<b>2.45</b>	<b>2.26</b>	<b>2.52</b>	<b>2.58</b>	<b>2.59</b>	<b>2.48</b>	<b>2.31</b>	<b>2.45</b>	<b>2.47</b>
Facilities	2.30	2.44	2.35	2.08	2.12	2.28	2.56	2.46	2.13	2.24	1.90	2.53
Fundraising and fiscal management	2.63	2.60	2.93	2.60	2.22	2.77	2.79	2.82	2.43	2.69	2.61	2.72
Staff assessment and development	2.29	2.30	2.57	2.21	2.08	2.29	2.56	2.18	2.29	2.12	2.32	2.40
Staff recruitment and retention	2.32	2.29	2.61	2.31	2.16	2.32	2.53	2.33	2.37	2.16	2.17	2.38
Staff relations	2.54	2.57	2.01	2.63	2.60	2.56	2.44	2.83	2.63	2.51	2.64	2.33
Team based management and staff structure	2.80	2.71	2.69	2.97	2.83	2.82	2.73	3.01	2.96	2.51	2.82	2.69
Technology and information system capacities	2.32	2.40	2.30	2.22	2.04	2.46	2.36	2.87	2.42	2.09	1.95	2.19
Volunteer management	2.46	2.41	2.69	2.49	2.20	2.52	2.62	2.86	2.21	2.56	2.57	2.50
<b>Adaptive</b>	<b>2.54</b>	<b>2.49</b>	<b>2.56</b>	<b>2.61</b>	<b>2.44</b>	<b>2.49</b>	<b>2.79</b>	<b>2.97</b>	<b>2.48</b>	<b>2.46</b>	<b>2.52</b>	<b>2.47</b>
Access to and use of decision-making tools and supports	2.51	2.44	2.55	2.61	2.41	2.48	2.71	2.88	2.42	2.51	2.52	2.45
Organizational and environmental learning	2.58	2.53	2.54	2.65	2.52	2.48	2.85	3.00	2.56	2.37	2.55	2.50
Programmatic learning	2.59	2.57	2.52	2.62	2.40	2.57	2.86	3.06	2.55	2.54	2.45	2.48
Resource sustainability and adaptability	2.07	2.14	2.09	1.97	1.89	2.18	2.04	2.63	1.90	1.88	1.71	2.17
<b>Programmatic</b>	<b>2.49</b>	<b>2.52</b>	<b>2.55</b>	<b>2.45</b>	<b>2.26</b>	<b>2.52</b>	<b>2.73</b>	<b>2.79</b>	<b>2.54</b>	<b>2.27</b>	<b>2.41</b>	<b>2.44</b>
Program delivery	2.67	2.74	2.59	2.58	2.57	2.70	2.73	3.17	2.71	2.56	2.34	2.56
Program evaluation	2.40	2.31	2.34	2.53	2.21	2.40	2.62	2.83	2.39	2.03	2.73	2.28
Program staff management	2.37	2.50	2.93	1.99	1.60	2.43	2.94	1.90	2.60	2.18	2.12	2.49
<b>Community/Collaborative</b>	<b>2.73</b>	<b>2.69</b>	<b>2.68</b>	<b>2.79</b>	<b>2.76</b>	<b>2.66</b>	<b>2.84</b>	<b>3.02</b>	<b>2.76</b>	<b>2.67</b>	<b>2.70</b>	<b>2.60</b>
Community alignment	2.76	2.67	2.78	2.87	2.83	2.73	2.72	2.94	2.80	2.63	2.81	2.68
Community engagement	2.75	2.72	2.58	2.85	2.77	2.68	2.91	3.12	2.75	2.73	2.83	2.60
Community outreach skills	2.54	2.50	2.67	2.56	2.54	2.42	2.80	2.83	2.53	2.52	2.50	2.44

**Exhibit B-4: Overview of Capacity Areas and Sub-Measures Overall and by Region, Budget, and Field at Follow-up**

Capacity areas and sub-measures	Avg	By region			By budget			By field				
		Bay Area	Central Coast	San Joaquin Valley	Under \$100,000	\$100K-\$500K	\$500K+	Arts and culture	Civic engagement /organizing	Ethnic/ immigrant services	Health	Human services
<b>Leadership</b>	<b>2.94</b>	<b>3.01</b>	<b>2.98</b>	<b>2.82</b>	<b>2.67</b>	<b>3.02</b>	<b>3.06</b>	<b>3.01</b>	<b>3.02</b>	<b>2.80</b>	<b>2.93</b>	<b>2.88</b>
Board development	2.40	2.43	2.93	2.21	2.02	2.47	2.63	2.46	2.51	2.13	2.31	2.43
Board leadership	3.15	3.19	3.09	3.11	2.92	3.23	3.23	3.27	3.09	3.00	3.11	3.22
Organizational leadership and decisionmaking	3.28	3.37	3.10	3.23	3.00	3.42	3.32	3.30	3.40	3.12	3.47	3.18
Sustainability of leadership	2.61	2.72	2.94	2.36	2.63	2.43	2.88	2.83	2.58	2.48	2.76	2.54
<b>Operational/Management/Systems</b>	<b>2.78</b>	<b>2.89</b>	<b>2.51</b>	<b>2.71</b>	<b>2.49</b>	<b>2.87</b>	<b>2.90</b>	<b>2.71</b>	<b>2.85</b>	<b>2.77</b>	<b>2.88</b>	<b>2.71</b>
Facilities	2.61	2.68	1.93	2.69	2.63	2.67	2.49	2.20	2.59	2.86	2.72	2.59
Fundraising and fiscal management	2.91	2.97	2.81	2.86	2.64	2.97	3.06	2.75	2.96	2.99	2.92	2.89
Staff assessment and development	2.68	2.80	2.52	2.57	2.41	2.71	2.91	2.42	2.76	2.74	2.92	2.65
Staff recruitment and retention	2.62	2.68	2.61	2.55	2.22	2.73	2.84	2.41	2.65	2.52	2.72	2.74
Staff relations	2.64	2.79	2.29	2.56	2.30	2.83	2.67	2.63	2.78	2.69	2.76	2.45
Team based management and staff structure	3.19	3.31	2.93	3.12	3.07	3.19	3.32	3.33	3.17	3.40	2.96	3.10
Technology and information system capacities	2.52	2.70	2.07	2.41	2.17	2.65	2.64	2.70	2.62	2.40	2.28	2.44
Volunteer management	2.60	2.84	2.22	2.41	2.32	2.67	2.74	2.93	2.68	2.24	2.52	2.57
<b>Adaptive</b>	<b>2.89</b>	<b>3.06</b>	<b>2.69</b>	<b>2.74</b>	<b>2.66</b>	<b>2.86</b>	<b>3.19</b>	<b>3.03</b>	<b>2.82</b>	<b>3.00</b>	<b>2.83</b>	<b>2.85</b>
Access to and use of decision-making tools and supports	2.91	3.01	2.78	2.82	2.57	2.89	3.27	3.04	2.78	3.01	2.99	2.89
Organizational and environmental learning	2.87	3.08	2.50	2.70	2.64	2.81	3.21	2.95	2.89	2.95	2.73	2.80
Programmatic learning	2.94	3.14	2.74	2.74	2.69	2.94	3.19	3.11	2.93	2.93	2.73	2.93
Resource sustainability and adaptability	2.33	2.43	2.00	2.30	2.37	2.20	2.51	2.30	2.24	2.22	2.44	2.46
<b>Programmatic</b>	<b>2.88</b>	<b>3.06</b>	<b>2.78</b>	<b>2.69</b>	<b>2.57</b>	<b>3.02</b>	<b>2.97</b>	<b>2.91</b>	<b>2.96</b>	<b>2.82</b>	<b>2.81</b>	<b>2.85</b>
Program delivery	3.07	3.17	3.17	2.92	2.66	3.21	3.24	3.17	2.96	3.06	2.96	3.17
Program evaluation	2.74	3.05	2.39	2.45	2.54	2.82	2.82	2.96	2.89	2.60	2.62	2.59
Program staff management	2.76	2.83	2.78	2.66	2.22	3.00	2.71	2.33	2.94	2.76	2.96	2.74
<b>Community/Collaborative</b>	<b>2.95</b>	<b>3.14</b>	<b>2.68</b>	<b>2.78</b>	<b>2.74</b>	<b>2.97</b>	<b>3.13</b>	<b>2.98</b>	<b>3.05</b>	<b>2.91</b>	<b>2.83</b>	<b>2.88</b>
Community alignment	2.98	3.14	2.93	2.79	2.58	3.13	3.12	3.03	3.01	2.97	2.86	2.96
Community engagement	3.01	3.28	2.60	2.77	2.87	2.96	3.22	3.10	3.17	2.92	2.72	2.93
Community outreach skills	2.70	2.94	2.25	2.52	2.57	2.63	2.97	2.76	2.81	2.70	2.46	2.63

**Exhibit B-5: Changes in Capacity Areas and Sub-Measures Overall and by Region, Budget, and Field**

Capacity areas and sub-measures	Avg	By region			By budget			By field				
		Bay Area	Central Coast	San Joaquin Valley	Under \$100,000	\$100K-\$500K	\$500K+	Arts and culture	Civic engagement /organizing	Ethnic/ immigrant services	Health	Human services
<b>Leadership</b>	<b>0.28</b>	<b>0.38</b>	<b>0.19</b>	<b>0.16</b>	<b>0.06</b>	<b>0.35</b>	<b>0.36</b>	<b>0.07</b>	<b>0.34</b>	<b>0.16</b>	<b>0.45</b>	<b>0.31</b>
Board development	0.26	0.25	0.65	0.18	-0.08	0.35	0.44	-0.04	0.34	0.12	0.54	0.32
Board leadership	0.28	0.36	0.05	0.22	0.09	0.41	0.19	0.12	0.33	0.04	0.25	0.40
Organizational leadership and decisionmaking	0.30	0.43	0.09	0.16	0.01	0.41	0.39	0.18	0.34	0.18	0.34	0.33
Sustainability of leadership	0.23	0.39	0.61	-0.09	0.09	0.14	0.53	-0.17	0.33	-0.02	0.66	0.29
<b>Operational/Management/Systems</b>	<b>0.31</b>	<b>0.42</b>	<b>-0.03</b>	<b>0.26</b>	<b>0.23</b>	<b>0.35</b>	<b>0.32</b>	<b>0.11</b>	<b>0.37</b>	<b>0.46</b>	<b>0.43</b>	<b>0.24</b>
Facilities	0.30	0.24	-0.41	0.61	0.51	0.38	-0.07	-0.26	0.46	0.63	0.82	0.06
Fundraising and fiscal management	0.28	0.37	-0.12	0.26	0.41	0.21	0.26	-0.07	0.53	0.29	0.31	0.17
Staff assessment and development	0.39	0.50	-0.05	0.36	0.33	0.42	0.35	0.23	0.47	0.62	0.60	0.24
Staff recruitment and retention	0.30	0.39	0.01	0.24	0.05	0.41	0.32	0.08	0.28	0.36	0.55	0.36
Staff relations	0.10	0.22	0.28	-0.07	-0.30	0.27	0.23	-0.20	0.16	0.18	0.12	0.12
Team based management and staff structure	0.39	0.61	0.23	0.15	0.24	0.37	0.60	0.32	0.21	0.88	0.14	0.41
Technology and information system capacities	0.19	0.30	-0.23	0.19	0.13	0.19	0.28	-0.16	0.20	0.31	0.33	0.25
Volunteer management	0.14	0.43	-0.46	-0.08	0.12	0.15	0.12	0.07	0.47	-0.31	-0.05	0.07
<b>Adaptive</b>	<b>0.35</b>	<b>0.56</b>	<b>0.13</b>	<b>0.12</b>	<b>0.22</b>	<b>0.36</b>	<b>0.40</b>	<b>0.06</b>	<b>0.34</b>	<b>0.54</b>	<b>0.32</b>	<b>0.38</b>
Access to and use of decision-making tools and supports	0.40	0.57	0.23	0.20	0.16	0.42	0.56	0.16	0.36	0.51	0.46	0.44
Organizational and environmental learning	0.29	0.55	-0.04	0.05	0.11	0.33	0.35	-0.05	0.33	0.58	0.18	0.30
Programmatic learning	0.35	0.56	0.22	0.12	0.29	0.37	0.33	0.06	0.38	0.38	0.28	0.44
Resource sustainability and adaptability	0.26	0.29	-0.09	0.33	0.48	0.03	0.47	-0.33	0.34	0.34	0.73	0.29
<b>Programmatic</b>	<b>0.39</b>	<b>0.54</b>	<b>0.22</b>	<b>0.25</b>	<b>0.31</b>	<b>0.50</b>	<b>0.24</b>	<b>0.12</b>	<b>0.42</b>	<b>0.55</b>	<b>0.40</b>	<b>0.41</b>
Program delivery	0.40	0.43	0.58	0.33	0.09	0.51	0.51	0.00	0.26	0.50	0.62	0.61
Program evaluation	0.35	0.74	0.04	-0.08	0.32	0.42	0.19	0.13	0.49	0.56	-0.11	0.31
Program staff management	0.39	0.34	-0.15	0.66	0.61	0.57	-0.23	0.43	0.35	0.58	0.84	0.24
<b>Community/Collaborative</b>	<b>0.22</b>	<b>0.45</b>	<b>0.00</b>	<b>-0.02</b>	<b>-0.02</b>	<b>0.31</b>	<b>0.28</b>	<b>-0.04</b>	<b>0.29</b>	<b>0.24</b>	<b>0.13</b>	<b>0.28</b>
Community alignment	0.22	0.47	0.15	-0.09	-0.25	0.39	0.40	0.09	0.21	0.34	0.05	0.28
Community engagement	0.25	0.56	0.02	-0.08	0.11	0.28	0.31	-0.02	0.42	0.19	-0.11	0.33
Community outreach skills	0.17	0.44	-0.42	-0.04	0.03	0.21	0.17	-0.07	0.28	0.18	-0.04	0.19