7TH STREET MCCLYMONDS CORRIDOR NEIGHBORHOOD IMPROVEMENT INITIATIVE

FINAL REPORT:
PLANNING THROUGH YEAR THREE IMPLEMENTATION
1998-2003

FOR

THE WILLIAM AND FLORA HEWLETT FOUNDATION

TEAMWORKS

DECEMBER 2003

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TABLE OF CONTENTS

ACKNOWLEDGMENTS

TEAMWORKS would like to express appreciation to those whose hard work we have been fortunate to witness over the period from the inception of the Hewlett Neighborhood Improvement Initiative in the West Oakland community in l998 to its closing in 2003. We would like especially to thank all those who took the time to participate in interviews. In addition to The William and Flora Hewlett Foundation and The San Francisco Foundation staff who provided a wealth of documents and were always available for interviews, we want to express special gratitude to the resident participants and advisory committee of the 7th Street McClymonds Corridor Neighborhood Improvement Initiative. All were generous in sharing their candid observations and insights with us.

EXECUTIVE SUMMARY

The following report examines the Hewlett Foundation's Neighborhood Improvement Initiative (NII) in West Oakland from its inception in l998 to its end in 2003. It covers the initiative's planning phase and its three implementation years. The rise, demise, and value of the NII are topics of lively conversation in and outside of West Oakland, among community groups, government officials, and philanthropic organizations. Through our interviews we were exposed to many competing narratives about the life of the NII. We hope that this report's careful record of the initiative in West Oakland helps to clarify the reasoning that led to the NII, its evolution in West Oakland, its value, and why it ultimately unraveled.

The report addresses three research questions: 1) What efforts took place to create an intermediary organization in West Oakland and what has occurred?; 2) What contributions has the initiative made to the goals of the NII, in terms of project and process (networks formed) outputs?; and 3) What contributions has the initiative made to fulfilling the goals of the NII, in terms of financial investment and human capital (as exemplified by technical assistance)? It also asks and answers the key lessons that can be drawn from this experience for philanthropy.

The executive summary briefly describes the context in which the Hewlett NII was launched and then highlights 1) the effort to build a community-based intermediary organization (7th Street McClymonds Corridor NII), 2) key project contributions, and 3) the level and distribution pattern of the financial and human investment in the NII.

Why West Oakland?

As often as the question of why West Oakland was chosen for the Hewlett NII is raised, there is another parallel somewhat rhetorical response of "why not?" West Oakland has been the target for numerous large scale federal initiatives. Today West Oakland still suffers from a lack of access to resources, public transportation, and basic services (such as grocery stores and banks), and the presence of toxic waste, very poor air quality, and the noise and disruption of commercial traffic.[1]

Hewlett knew that the initiative would unfold against a backdrop of political activism (the Black Panther Party was born in West Oakland), and a profoundly challenging demographic profile. Hewlett initially focused on two neighborhoods that matched its selection criteria of fewer than 10,000 people and had a footprint of less than two miles

[1] For detailed information, see for example, *West Oakland Snapshots,* Institute of Urban and Regional Development, March, 2002 for 7th Street McClymonds Corridor Neighborhood Improvement Initiative; and *Neighborhood Knowledge for Change: The West Oakland Environmental Indicators Project,* Pacific Institute for Studies in Development, January, 2002.

square. But soon after the Hewlett Foundation's announcement of the NII, various stakeholders urged Hewlett to reconsider and expand the boundaries. Hewlett agreed to an area that consisted of eight neighborhoods, each proving to have a different character. The population was over 14,000, over 5,000 households, a household median income of $11,529, and it was undergoing rapid demographic changes in terms of race and ethnicity.

Nevertheless, Hewlett concluded that the rerouting of the Cypress Freeway, planned reuse of the military base, emerging redevelopment plans, the city's assignment of the 7th Street Corridor as a Commercial Revitalization Zone, and a new federal, Enhanced Enterprise Community designation, strongly suggested the time was ripe for a program such as Hewlett's NII in West Oakland. Finally, the mayoral candidacy of Jerry Brown, seen as a friend of West Oakland, promised access and a major overhaul of Oakland's local government.

***7th Street McClymonds Corridor NII*:** The target area's community plan was completed, drawing on over 3,000 hours of resident input, in May 1999. It called for the creation of an independent nonprofit organization that would be responsible for its implementation. The plan itself did not use the term "intermediary," but the strategies articulated for building partnerships and leveraging funds were consistent with the concept. For Hewlett, the creation of such an entity was central to its goals of establishing "a vehicle for increasing resident involvement in neighborhood planning and improvement strategies," connecting "fragmented efforts to address poverty-related issues in selected communities," and providing a base from which to "leverage significant public/private resources to support community improvement."

This report explains that the 7th Street McClymonds Corridor NII elected a majority resident-based board. Individuals committed innumerable hours to the work. Unfortunately the board was characterized by contentious behavior that drove away some of its members. For example, groups targeted for board participation such as youth and Latinos were insufficiently supported, with nearly all departing. Quorum was frequently not attained, and quarterly town hall meetings for community input, required in the bylaws, were repeatedly missed. Within the board there was a dominant group that tended to focus on a set of narrow interests through which members' own organizations were positioned to benefit. While proposed projects may have been of merit and bylaws were not technically violated, attention to the community plan and the operating principles of an intermediary that were to guide action was transitory at best. Ongoing technical assistance for board training showed limited impacts, a function of the board's resistance and the uneven quality of the help.

When the board failed to meet goals Hewlett joined by TSFF issued conditions for going forward. Some of the vocal board members used this as a basis for charging that Hewlett was not fulfilling its promise that the initiative would be resident-driven. Hewlett granted TSFF a handful of extensions, ranging from three to six months.[2] In mid-2001 Hewlett and TSFF told the board that it had six months to demonstrate the competencies to

[2] Technically, had the initiative been on track, the third year of implementation should have been completed April 2002. See Appendix "A" for a detailed timeline of the initiative.

sustain the initiative's viability. Hewlett drew upon its own resources and independently contracted with a technical assistance provider to offer intensive board development. TEAMWORKS reported some progress with board meeting management. The sea change, however, was the March 2002 elections that resulted in new leadership. One of the new board's first tasks was firing the executive director. While getting to know each other and the scope of the NII, members had to undertake a search to fill this critical position. Hewlett stepped in with additional funding to retain a professional search firm. Unfortunately, during the effort to recruit an executive director characteristics similar to those that had previously dominated the initiative resurfaced. Confidential information was revealed and there was evidence of heavy handed politicking by current and former board members, matters that ultimately led to Hewlett and TSFF deciding to dissolve the intermediary. In essence, the divisive and adversarial characteristics that the Hewlett's NII had hoped to change in favor of collaboration and partnership building instead led to its demise.

Project Contributions: A portion of Hewlett's monies was set aside for grants for projects. These grants were to be both aligned with the community plan's priorities and also best used as seed money to leverage other funds. The quality of grantmaking and alignment with the purposes of Hewlett's NII improved from a very poor start in the first year to considerably better when administered by TSFF after the intermediary was disbanded. Initial grantmaking was dominated by the initiative's board politicking and that of local organizations as well. In the last cycle TSFF ran a transparent process focused on the narrow set of priority areas that had been identified by the community. TSFF made clear the guidelines and used requests for proposals to solicit high quality and targeted grants. In year one, twelve projects were funded, totaling $508,000; in year two 32 projects were funded, totaling $510,000; in year three 13 projects received a total of $593,000.

Most of Hewlett's funds went to youth (27%) followed by workforce development (21%). Behind these areas was a cluster of affordable housing (11%), community building (10.6%) and economic development (9%). The balance was distributed in environment/land use, senior services, arts and culture, and organizational capacity building, with crime and safety receiving no funds from the Hewlett monies (TSFF separately supported a resident campaign that resulted in the city awarding support for upwards of 20 new streetlights).

The grants evolved from having no strategy or relationship to the plan, to a clear one in the third year based on cornerstone areas. Unfortunately, limited data is available for project outputs, a function of poor quality grantmaking in the first year and a failed effort by the Institute for Urban and Regional Planning (IURD) at the University of California, Berkeley (UCB) to establish a tracking system for monitoring grants for output data. Recognizing this problem across its sites, Hewlett retained a consulting firm to set up appropriate systems. Here we briefly highlight four of the projects:

1) Workforce Development Roundtable. The Regional Technical Training Center (RTTC) initially received just $5,000 for a pilot effort, to create a biotech training program in partnership with Chiron, which successfully placed 6 out of 7 graduates in

Chiron jobs, all of them West Oakland residents. RTTC then received further NII funding to develop a roundtable convening business leaders together with representatives from education, community, and government sectors to create a more effective system of job training responsive to real industry requirements. TSFF's West Oakland initiative coordinator is a member of the group.[3]

2) Youth Employment Partnership (YEP): A veteran Oakland organization, YEP had for years engaged West Oakland youth in programs designed to provide training and employment in construction trades – and generally met with poor outcomes. With a $64,000 NII grant to provide six months training for 16 West Oakland youth, the program particularly sought ways to improve participant retention with simple methods such as providing participants with BART tickets. Early results are encouraging. To date, of the 16 youth originally entering the program, two have graduated and are working, another 11 are still in training and nearing completion, and two others have moved to other job training programs.[4]

3) West Oakland Senior Shuttle, operated by Bay Area Community Services, the senior shuttle is one of the initiative's most successful projects. Start-up funding from the NII in 2002 leveraged additional funds from the city of Oakland. The city has since committed to ongoing support for the shuttle. The shuttle runs from 500 to over 750 one way trips monthly, with service four days per week, four hours/day, originating from pick-up points at senior housing sites in West Oakland to destinations for shopping, meals, and health care. The great innovation of the shuttle service has been to take transportation beyond an isolated service like the city's para-transit system, to a full service offering that responds to the larger context of senior's needs and is integrated into their lives.[5]

4) The People's Community Credit Union provides the West Oakland community with access to capital and financial services, including loans, financial literacy training, and income tax assistance. Since its opening in March 2001, the credit union has grown to close to 1000 members and $2.8 million in capitalization. In the process, the credit union has partnered with a range of organizations not previously involved in the West Oakland community, including Junior Achievement and FDIC (on the development of financial literacy curricula), the National Association of Black Accountants (for VITA services), Haas Business School and Project SOAR (to stimulate college saving through an Individual Development Account program). The credit union is the only institution of its kind in West Oakland, where there are no banks. In these ways, the organization is pioneering a new model of a financial

[3] The original biotech class, started in February 2002, drew resources from Alameda County Social Services Agency (ACSSA) (approx. $80,000) and Chiron, the employment partner (in-kind over $50,000, as well as the promise of job placements, about $30,000 per year per job). In March 2003, the NII provided an additional $75,000 grant. Additional leveraged resources came from ACSSA ($210,000), TSFF ($20,000), PG&E ($25,000), Chiron ($15,000), the Port of Oakland ($78,000 in in-kind resources).

[4] YEP leveraged the NII funding to secure $160,000 in HUD Youthbuild dollars and $75,000 from the city of Oakland.

[5] In July 2003, the NII provided an additional $27,500 to continue the project, leveraging $127,500 from the city of Oakland's Life Enrichment Agency toward the project this year.

service organization for underserved communities, combining the accessibility and services of a community bank with the support services of a membership organization and the linkages of a broker.[6]

Financial Investment: "Leverage" was a key goal of Hewlett's NII. Hewlett's contribution was intended to catalyze other support. TSFF was charged with the responsibility for assisting the initiative with its access to high-level networks and with fundraising. TSFF's performance in these areas was mixed. Though it established an advisory committee of "influentials," little networking or support evolved from this group. Its members and TSFF were very cautious about promoting projects, aware they would be criticized by the intermediary for getting out ahead of it. Though TSFF did little fundraising from other foundations or the public sector, it did reach significantly into its own resources to complement funds to the NII's grantees. Total investment in the 7th Street McClymonds Corridor NII was $4,790,327. Hewlett's contribution constituted the largest share of funding $3,626,600 (76%). While there was limited effort by TSFF to raise support from other institutions, it drew upon its own corpus to provide $668,227 (14%) of the total direct support for NII grantees. Remaining funds came from the public sector and other foundations. For every $3 of Hewlett Foundation monies, another $1 was raised (of which .57 cents or 57% was from TSFF's own sources). Finally, TSFF's total giving from its own sources to West Oakland increased from $465,000 in the five years prior to the NII to over $1.9 million during the NII's life, a leap of over 400%.

NII Expenditure Pattern: Hewlett's funds were principally used to support projects, a total of $1,584,087 (44%), and costs associated with the NII intermediary organization, including $697,345 (19%) for administrative costs, and $622,524 (17%) for technical assistance.[7] The balance was for the administrative costs of TSFF, $722,643 (20%). The administrative costs for TSFF are over the entire five year period of the initiative and the costs for the intermediary organization are over roughly two-and a-half years. When all sources of support to the initiative are considered, the total for projects is $2,747,814 (57%), for technical assistance, $622,524 (13%), for TSFF administration for its dual role of lead agency and managing partner, $722,643 (15%), and for 7th Street McClymonds operating expenses, $697,345 (15%). Clearly funds were mostly expended on projects, not excessively used for administrative costs.

Investment in Organizational Capacity Building: A key element of Hewlett's theory of change is that a strong organizational infrastructure is a pre-condition for placing a community on the road to revitalization and stabilization. West Oakland has had a reputation for a fragile nonprofit sector, with many small organizations of limited resources that lack effective governance ability and operating systems. The total funding for organizational capacity building committed to the NII by Hewlett, TSFF, and others was $444,000. TSFF used its own corpus (over $235,000) and leveraged monies from

[6] PCCU derives substantial resources for fees and support for their membership from a network of credit unions. PCCU used its $25,000 NII grant for 2003 to leverage additional grants from TSFF ($25,000), US Bank Foundation ($15,000), and the Community Development Financial Institution ($31,000).

[7] This does not include technical assistance commissioned directly by the Hewlett Foundation for the initiative, including costs for the Community Development Institute for board development and coaching for the 7th Street McClymonds Corridor organization, and the cost of the executive search undertaken by Walker and Associates.

other sources for a total of $373,000.[8] About half of the total sum was used for a training and technical assistance program for a group of West Oakland nonprofits to raise their understandings and practice concerning effective board and organizational operations. This effort, known as the Matrix program, has had a promising byproduct. The core group that completed the training decided to continue their learning and networking, and formed the West Oakland Community Collaborative, which has been awarded both Hewlett NII monies and funds from TSFF's own sources.

In closing, the Hewlett NII in West Oakland was dissolved at the midpoint of its anticipated tenure. It was a condition of success that the intermediary would become a flagship in West Oakland for fostering broad-based participation, consensus-oriented decision-making, the building of new expanded networks, and leveraging. There were occasional signs of each as is evidenced in the highlights above. But after hundreds of thousands of dollars being spent on technical assistance and the setbacks of the executive search, Hewlett decided to discontinue its support of the NII intermediary organization. However, the Hewlett Foundation has not turned its back on the community. At the time of this report's writing, it has agreed to support a plan to develop a student center that integrates health, youth development, and social service center at McClymonds High School, a potential stepping stone to greater involvement in improving student outcomes at the high school.

[8] This figure does not include the $697,345 that the Hewlett Foundation invested in the start-up and operating costs of the NII intermediary organization itself.

1

INTRODUCTION

1.1 Overview

The following report examines the Hewlett Foundation's Neighborhood Improvement Initiative (NII) in West Oakland from its inception in l998 to its end in 2003. It covers the initiative's planning phase and its three implementation years. In total, the Hewlett Foundation expended $3,626,600.[9] Funds from The San Francisco Foundation (TSFF), other area foundations, the city of Oakland and Alameda County government added more than another $1.1 million, raising the total invested to over $4.7 million.

This introduction discusses the reasoning and goals of the NII, why a set of neighborhoods in West Oakland were selected for the program, and the adjustments that were made to Hewlett's model with the intent of better tailoring it to the community. This section is followed by a chapter discussing key findings, focusing on the efforts to develop and the eventual demise of the neighborhood-based intermediary organization (7th Street McClymonds Corridor NII), and on the program's contributions to the goals of the NII. The report concludes with a chapter on lessons learned.

The West Oakland NII was complex. Its rise, demise, and value are topics of lively conversation in and outside of West Oakland, among community groups, government officials, and philanthropic organizations. Through our interviews we were exposed to many competing narratives about the life of the NII. We hope that this report's careful record of the initiative in West Oakland helps to clarify the reasoning that led to the NII, its evolution in West Oakland, its value, and why it ultimately unraveled.

The Goals of the Neighborhood Improvement Initiative

The Hewlett Foundation was one of the nation's earliest supporters of community development in the field of philanthropy, with its work dating back to l974. Like many of its counterparts in the philanthropic world at the time, Hewlett funded a broad array of programs ranging from workforce development to child care, while at the same time increasing its knowledge of the complexities of community development. Over time,

[9] This figure does not account for other financial support contracted directly by the Hewlett Foundation for additional technical assistance such as for board training and executive coaching (Community Development Institute), outcomes data tracking (JMPT), explorations toward developing regional strategies (CJTC), and executive search (Walker and Associates). The figure also does not include the cost of Hewlett Foundation staff who oversaw the NII.

Hewlett placed more and more resources into community development corporations to aid their capacities to meet a growing affordable housing crisis.[10]

In the early l990s, California was mired in a deep recession. Crime was rising, infrastructure was deteriorating and poverty was growing increasingly concentrated. Hewlett program staff retained the services of Walker & Associates to conduct an in-depth investigation into the latest policy trends, the writings of leading urban analysts, and the potentials of an emerging approach to using philanthropic resources that variously were called community building, comprehensive, or integrated systems initiatives.

Recognizing the limits of single-issue and short-term grantmaking, the Ford Foundation, Annie E. Casey Foundation, and Surdna Foundation launched multi-year programs that featured (a) community-based planning processes, (b) several years of support for implementation, and (c) technical assistance to strengthen resident and organizational capacity. The authors of the initiatives recognized that foundation resources alone were inadequate to change neighborhoods and the lives of their residents, and that their success would be contingent upon the community's involvement, and drawing contributions of funds and expertise from a broad set of stakeholders in the public and private sectors.[11]

After nearly two years examining data about the demographic trends in the Bay Area, the organizational capacity of neighborhood-based nonprofits, and the receptivity of local policymakers and community foundations, in l996 the Hewlett Foundation board approved the Neighborhood Improvement Initiative. For Hewlett the NII represented a fundamental change in how it allocated its resources for community development. Rather than the prior single-issue and reactive approach, the program was pro-active, was guided by a theory of change, and would provide multi-year funding at a considerably larger scale of commitment than its former strategy.

Hewlett's underpinning of the NII, its theory of change, reads: That lower income neighborhoods faced with challenges of deteriorating infrastructure, welfare dependency, high school dropouts, and crime, but that are geographically compact, well-defined, with reasonably vital grassroots/community-based infrastructure, are better positioned to improve the quality in their physical, and social conditions than other more dispersed and organizationally fragile lower income areas.[12] The NII's goals are

[10] By l991 the Hewlett Foundation was ranked among the 50 top national funders of community-based activities.

[11] Key predecessor comprehensive community initiatives that Hewlett's design drew upon were the 1) Annie E. Casey Foundation's five year, five city $50 million "New Futures" venture, which focused on the problems of "at-risk" children and was launched in l987; and 2) Ford Foundation's "Neighborhood and Family Initiative," a 10 year program operating in five cities that began in l990, which sought "to strengthen distressed communities and the families that live in them."

[12] In November 2002, a month before the initiative in West Oakland closed, Hewlett revised its theory of change for its overall NII program to read: That improvement in the physical social and economic conditions in lower income neighborhoods will result from the active involvement of residents in community planning and decision making processes, in combination with a comprehensive, coordinated multiyear strategy to address the problems that impair the quality of life in these neighborhoods.

- Connect fragmented efforts to address poverty-related issues in selected communities.

- Improve the capacity (proficiency + resources) of participating community-based organizations.

- Improve the capacity of Bay Area community foundations to support neighborhood improvement strategies.

- Create a vehicle for increasing resident involvement in neighborhood planning and improvement strategies (leadership development).

- Leverage significant public/private resources to support community improvement.

- Provide statistical evidence of changes in poverty indicators (unemployment, welfare dependency, vacant and abandoned structures, etc.) over a longer-term period.

Recognizing that this was experimental territory, the board approved just one "pilot" site, located in the Mayfair neighborhood of San Jose, for its one-year planning phase. Results from this site would inform whether or not the Hewlett Foundation would expand the program. The Hewlett Foundation announced the grant for a target area in West Oakland in l998, roughly 18 months after it had launched its pilot. A third site, located in East Palo Alto, would follow in 1999.

Why West Oakland?

As often as the question of why West Oakland is raised, there is another parallel response of "why not?" West Oakland has been the target for numerous large scale federal initiatives. The Model Cities program and other anti-poverty initiatives brought millions of dollars to the city of Oakland and specifically to West Oakland, at that time a primarily African-American community. A once vibrant area, it was carved up and cut off by a freeway. Its once thriving businesses closed, crime rose, and unemployment escalated. Today West Oakland still suffers from a lack of access to resources, public transportation, and basic services (such as grocery stores and banks), and the presence of toxic waste, very poor air quality, and the noise and disruption of commercial traffic.[13]

A political culture of protest arose in West Oakland that understands the community as oppressed in the service of others, under-served, and deserving of compensation.[14] It is characterized by a lack of trust, contentiousness, and vying for position and power. A neighborhood leadership emerged that used combative tactics to press for redress, and

[13] For detailed information, see for example, *West Oakland Snapshots,* Institute of Urban and Regional Development, March, 2002 for 7th Street McClymonds Corridor Neighborhood Improvement Initiative; and *Neighborhood Knowledge for Change: The West Oakland Environmental Indicators Project,* Pacific Institute for Studies in Development, January, 2002.

[14] One strong measure of the area's activism is that the Black Panther Party was born in West Oakland in l966. This group began as an armed patrol to protect African-Americans from perceived injustices inflicted by the local police.

West Oakland activists are known, for example, to be frequently present and vocal at city council meetings. The tactics have proved successful in raising West Oakland's profile and also channeling some resources into the area. But it also set in motion a dynamic that often alienated the city's political leaders, a dynamic that continued even as mayors and city managers changed. Put simply, these officials did not want to sustain the friction costs of this type of interaction.

Hewlett was keenly aware of West Oakland's history and of the particular difficulties likely to be encountered working there. Yet it concluded that changes in the larger political and policy landscape that had occurred during the late l990s and a turnaround in the Bay Area economy boded well. The rerouting of the Cypress Freeway, planned reuse of the military base, emerging redevelopment plans, the city's assignment of the 7th Street Corridor as a Commercial Revitalization Zone, and a new federal, Enhanced Enterprise Community designation, strongly suggested the time was ripe for a program such as Hewlett's NII. Added to this was a heated economy, bringing hope but also fear of displacement to West Oaklanders. Finally, the mayoral candidacy of Jerry Brown, seen as a friend of West Oakland, promised access and a major overhaul of Oakland's local government. Optimism was the currency.

Modifications to the Hewlett Model

Hewlett had begun its explorations for potential sites for its NII in l996, when it commissioned SRI International to analyze the conditions in 10 Bay Area neighborhoods.[15] Among the criteria that Hewlett planned to apply to select sites were a minimum of 51% of the neighborhood must be comprised of low and moderate income families, the size of the population should not be greater than two square miles or more than 10,000 residents, the existence of one or more experienced community-based organizations with demonstrated leadership and management capability (potential lead agencies), and evidence of existing partnership between community-based organizations residents, the private sector and government. Its pilot neighborhood in San Jose was selected in part because of its tight fit with the criteria and the assumption that this would contribute to its potential success.

Hewlett staff and its consultants narrowed their focus in West Oakland to two contiguous neighborhoods, Acorn/Prescott. The area was about to receive a major injection of monies, an estimated $40 million, to renovate its public housing, an eyesore that hugged a six-block area. It fit many of Hewlett's criteria, including having a compact geography, and its population of less than 8,000 was well within the Hewlett's threshold. There was less confidence, however, in its community-based organizations. Hewlett strongly believed that in addition to credibility and capacity, that neutrality was essential to the success of the NII. While there were elements of each in some organizations, none rose to the surface that fully fit the criteria.

[15] "*Neighborhood Assessment Study*," SRI International, Center for Education and Human Services, March 22, 1996. This study was followed by another that Hewlett commissioned from the same firm, entitled *"Capacity for Revitalization in Four Bay Area Neighborhoods: Analysis and Recommendation for a Pilot Neighborhood for a Neighborhood Improvement Initiative,"* June 10, 1996.

For Hewlett, this presented a conundrum. Its model outlined two vital roles for initially organizing the NII. One was for a "managing partner" that would oversee and monitor the project as well as manage grantmaking and technical assistance. This was designated for a community foundation. The other role, the "lead agency," was crafted for a community-based organization in the impacted community that would be directly responsible for facilitating the planning process. Because of concerns about designating a lead agency, Hewlett instead turned to The San Francisco Foundation (TSFF), asking it to play both roles during the planning phase, and to follow by transitioning lead agency responsibilities when the new intermediary was established. For Hewlett, this was a major adjustment to its model; for TSFF the dual role proved to be internally stressful, and it became a source of confusion in the community about TSFF's role and responsibilities.[16]

In May 1998 the board of the Hewlett Foundation approved a grant, to be administered by The San Francisco Foundation (TSFF), to be targeted in the Acorn/Prescott neighborhoods. Soon after the announcement, however, West Oakland's city councilperson and some constituents challenged the decision to limit the initiative to these two neighborhoods. The group sought to encompass the entire community development district which would nearly double the target population. A series of meetings between Hewlett, TSFF, political officials, technical assistance providers, and community leaders concluded with Hewlett agreeing to expand the area to include another six neighborhoods: South Prescott/Lower Bottom, Oak Center, McClymonds, Clawson, Ralph Bunche, and Hoover/Foster.

Instead of two neighborhoods that shared a similar character, there were now eight. Instead of an area aligning with Hewlett's original criterion regarding the size of the physical area (less than two miles square), the newly expanded area was more than 3 miles square. The population in l998 was over 14,000, well exceeding the threshold of 10,000.[17] The target area had over 5,000 households and a household median income of $11,529. Moreover, these eight neighborhoods had significant differences among them. For example, median incomes ranged from a low of just over $10,000 in Acorn to nearly $52,000 in Oak Center. And the area was undergoing rapid demographic changes in terms of race and ethnicity. From l995 to 2000 the Latino population in this target area rose from 12.4% to 17.3%, while African-Americans declined from 71% to 65.7%. The differences, experienced across class, race, and differing neighborhood priorities, would ultimately play themselves out in the initiative.[18]

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[16] The model called for establishing an intermediary once the plan was completed. Due to governance issues documented in this report, it took nearly nine months after the plan was approved to seat a board and almost as much time to hire an executive director. TSFF's role as lead continued through this extended period. Roughly two and a half years would transpire from the outset of the initiative before TSFF was to only play the managing partner role.

[17] The target area population is derived from the l995 U.S. Census Test of Population. The population figure approved by the Hewlett Foundation, 11,314, was based on the l990 U.S. Census. The target area's median household income in l990 was $11,592. (See *7th Street McClymonds Corridor Community Plan* and data generated by the Urban Strategies Council for the planning process.)

[18] It is instructive to contrast the demographic profiles of the West Oakland target site and Hewlett's pilot site in Mayfair (San Jose). Mayfair is physically smaller, has just one-third the number of households, is

In sum, there were two significant departures from Hewlett's initial conceptualization for the NII, tailored to fit the circumstances in West Oakland. One was combining the managing partner and lead agency roles into one; the other was the reformulation of the initiative's target area. The planning process was also delayed to respond to community requests, including a challenge to TSFF over its chosen candidate for the initiative coordinator's position. In response, TSFF restarted a recruitment process and included community representatives in the decision process.

Thus, with insights gathered from considerable research, the benefits of learning from one pilot site, and a set of early efforts to build consensus and tailor the initiative, the West Oakland site, now the 7th Street McClymonds Corridor NII, was ready for its launch. The initiative that was announced in April 1998 ultimately formally kicked-off in late November. The Hewlett Foundation and TSFF had both shown that they were willing to listen and respond to community leaders. Though a rocky beginning, hopefulness prevailed.

1.2 This Report's Methodology

The report addresses three research questions: (1) What efforts took place to create an intermediary organization in West Oakland and what has occurred? (2) What contributions has the initiative made to the goals of the NII, in terms of project and process (networks formed) outputs? And (3) What contributions has the initiative made to fulfilling the goals of the NII, in terms of financial investment and human capital (as exemplified by technical assistance)? It also asks and answers the key lessons that can be drawn from this experience for philanthropy.

The report is based on a review of extensive documentation including internal memoranda of the Hewlett Foundation dating back to l994 that provide the history of the NII's development, grant award letters to TSFF, TSFF's proposals and grant reports to Hewlett, memoranda to TSFF's board on the status of the initiative's implementation, timelines, data sets, and activity/project summaries generated for this report by TSFF, the community plan, the bylaws of the 7th Street McClymonds Corridor NII, its board agendas and minutes, grant records, and reports produced by various technical assistance providers. We also drew upon the midcourse and final evaluation reports generated during the planning phase and each implementation year since the NII's start in West Oakland.

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more racially/ethnically stable (Latino population grew from 75.8% in l990 to 79.8% in 2000), and has a considerably higher household income (year 2000 statistics for household median income are $22,073 for the West Oakland target area and $53,833 for Mayfair). Thus, in addition to the complexities of West Oakland's political history, the size and demographic conditions of the target area would make it harder to manage a neighborhood revitalization process. (See *Capacity for Revitalization in Four Bay Area Neighborhoods*, SRI International, page 55 for l990 data; year 2000 data provided by Center for Justice, Tolerance, and the Community.)

TEAMWORKS has evaluated the NII in West Oakland since its inception.[19] We were observers at the launch meeting in 1998. Over the ensuing five years we observed numerous meetings, among which were community planning meetings, town halls, board member elections, board meetings, work group sessions, and advisory committee meetings. During the course of our work we have conducted more than 150 interviews, with 26 carried out for this report. As in the past, the interviewees cover the full range of stakeholders, including board members of the 7th Street McClymonds Corridor NII, grantees of the initiative, technical assistance providers, government officials and staff, and staff of the Hewlett Foundation and TSFF. Finally, TEAMWORKS draws upon 25 years of national experience analyzing urban issues for philanthropic organizations and for government.

[19] TEAMWORKS has been evaluating the Hewlett NII since the funding of its first site in l996. We were present for the launch of each of the three sites.

2

KEY FINDINGS

2.1 7th Street McClymonds Corridor NII

This section addresses the research question: *What efforts took place to create an intermediary organization in West Oakland and what has occurred?*

2.1.1 History of the Intermediary

Impressive and persistent efforts were made by residents, community leaders, Hewlett Foundation and TSFF personnel, and technical assistance providers to launch an intermediary organization in West Oakland. Ultimately the intermediary was dissolved because of a misalignment between the goals of the initiative, the requirements of its lead funder, and the dominant style of leadership in the governing body.

Stakeholders from many backgrounds and perspectives undertook substantial efforts to build an intermediary organization that would implement the 7th Street McClymonds Corridor NII community plan. Creating a viable nonprofit organization is a sizable undertaking under any circumstances. Creating one with an intermediary role as was envisioned for the 7th Street McClymonds Corridor NII is particularly challenging because of the newness of the concept of such an entity. Such intermediary organizations incubate innovative pilot projects, build collaborations, broker deals, coordinate efforts, leverage resources, and convene stakeholders from multiple sectors in order to create community revitalization. The Hewlett Foundation's NII is one of the first generation of comprehensive community initiatives, and as such those creating it have largely pioneered their work rather than having models to guide them.[20]

The Planning Period

By all accounts the West Oakland's NII planning period was productive and full of potential. Begun during the Spring of 1998, the planning period included a "preplanning" phase in which TSFF hired an initiative coordinator, reopened the search in response to community pressure but eventually stayed with its original candidate, and

[20] See "The Aspen Roundtable on Comprehensive Community Initiatives." The Aspen Institute (1999).

the target area of the initiative was expanded considerably. The initiative, which had initially been designed to focus solely on the Acorn/Prescott neighborhoods, became the 7th Street McClymonds Corridor Neighborhood Improvement Initiative.

Early in the planning phase, TSFF formed a "tech team" to assist with developing and implementing an outreach and organizing strategy.[21] The planners were following a central tenet of Hewlett's model that the initiative would best be served by ensuring the broadest possible constituency was involved in every phase. Toward this end, efforts were made to contact and recruit members of the clergy, nonprofit and community-based organizations, neighborhood associations, youth-serving institutions, and residents through house meetings to help organize and attend the initiative's kick off meeting in November 1998.

The initiative's first meeting drew more than 350 people. Promotional materials for the initiative included Hewlett's stated commitment to a one-year planning process and six-year implementation phase, with a total investment of over $4.5 million, together with Hewlett's theory of change, and the statement that "the most important feature of this Initiative is its emphasis on residents having a *real* say in determining how and where resources will be distributed."[22] Attendees were diverse in background and interests. The tone was loud and frequently combative. Voices rose to question the Hewlett Foundation's and TSFF's motives and methods.

Earlier the community had experienced programs and initiatives, such as Model Cities, that similarly were intended to give residents input to community revitalization efforts, but were perceived by residents to be failures. Representatives of the Hewlett Foundation stated that it was up to the community if it wanted to accept its assistance under its stated guidelines. A large group arose to accept the Hewlett Foundation's offer and the decision was made to move forward. Distrust and contentiousness had surfaced, which had been anticipated, but seemingly overcome in the cause of community revitalization.

Over the subsequent six months additional community meetings were held to form work groups and an interim governance body, which together then worked to develop material for the community plan. Meetings were very well attended, with a hundred or more people on many occasions. The plan itself cited an estimate that neighborhood residents and organizations volunteered over 3,000 hours to the process. Importantly, faces new to leadership in West Oakland were engaged in preparing the community plan. It was widely agreed that TSFF's initiative's coordinator did an excellent job bringing people together, establishing priorities, and moving business forward, despite the competing factions that continued to surface. He succeeded in helping participants to put aside their differences and to direct their attention to the task at hand. It was a speedy planning

[21] National Economic Development and Law Center, Urban Strategies, and OCCUR were selected to lead the technical assistance team, particularly to help with outreach to ensure a broad audience for the initiative's planning stage. TSFF selected these groups specifically because it wanted both expertise and neutrality. Residents challenged their selection during the first meeting asserting that if the initiative was resident-driven they should decide the contractors; moreover, none was based West Oakland. Both themes reverberated throughout the NII.

[22] Letter to West Oakland's community-based organizations from TSFF's initiative coordinator, 8/26/98.

process that produced a plan just six months after the launch. In May 1999 the plan was completed, and it was approved by the Hewlett Foundation in July of that year.

A major concern of the Hewlett Foundation, however, was that there was no agreed upon structure for a permanent governing board to oversee the NII's implementation. Hewlett asked that bylaws be developed and a board seated by December 1999. The process of developing the bylaws took the full six months. Electing the board was not completed until late March 2000, requiring the first of several extensions that Hewlett granted to TSFF for the initiative's implementation. Below, we discuss the effort to create a permanent governing body because it presages the fragile foundation on which the initiative was built.

Governance

The issues that arose in connection with the initiative's governance structures demonstrate an important misalignment between resident participants' views of how the initiative should operate, and Hewlett's design of the NII. The Hewlett model calls for partnership between the initiative and the public sector in order to leverage resources into the target communities, based on the theory that poor communities are disadvantaged by their isolation from networks of power.[23] West Oakland historically has not so much been isolated from, as in contentious relationships with networks of power, particularly the city of Oakland. Partnership building and collaboration, central characteristics for a successful comprehensive community initiative, were anathema to the political and organizational culture of this area.

An interim governing board was formed during the planning period to oversee the work groups, and to make important decisions prior to the election of a permanent board of directors. All 39 of the voting members of the interim board were residents or members of organizations located in West Oakland; another 12 public sector representatives were included, but only on the margin as nonvoting members, demonstrating the resident participants' simultaneous distrust of outsiders in positions of power and awareness of their significance.

In fact, longstanding leaders of West Oakland proceeded swiftly in positioning themselves to obtain the greatest influence over the distribution of anticipated resources. They were very savvy in identifying and then inserting themselves into positions of power during the planning period, first on the interim governing board, and then on the governance work group, which drafted a proposed set of bylaws of the initiative. Competing groups obtained positions in these bodies, and fought with one another over control of the initiative's decision making. These leaders perceived themselves, because of their experience working in the community, to be acting in the best interests of the residents of West Oakland.

In May 1999, a dispute among resident organizers over the proposed permanent governance structure for the initiative's implementation broke to the surface. The stated desire was to include as broad a constituency as possible. Less overt but still obvious

[23] William Julius Wilson, *The Truly Disadvantaged*, (Chicago: The University of Chicago Press), 1987.

was that various empowered factions wanted to have seats at the table. The proposal advanced by the Acorn neighborhood's constituents was voted down by the full interim governing body. As a result, they left the NII.

Toward the end of this period, fatigue was setting in, and some participants appeared to be experiencing alienation. Present through the planning period was a group of unaffiliated West Oakland residents who were willing to participate because they were aware of the imminent changes in the area (e.g., the redevelopment of the corridor along the former Cypress Freeway) and saw the NII as one of a limited number of vehicles to influence their future. As events unfolded, most of this group stopped participating, reportedly because a familiar contentiousness had taken over with which they did not want to associate.

At one point as many as fifty seats were proposed by the residents for the permanent board. TSFF countered, and TEAMWORKS reports concurred, that this was an unworkable number for a functioning organization, and recommended a more typical 15-21 member board (which was eventually adopted). A remaining core group composed of about 10-15 people, with legal assistance from the National Economic Development and Law Center (NEDLC), drafted bylaws for the initiative that were adopted by the initiative's membership in December 1999.

Launching the Intermediary

Much of the first year of implementation (July 1999-March 2001) was taken up with organizational matters.[24] The idea of creating a nonprofit organization to implement the community plan was initially one of several possibilities. By the end of the planning period this notion had been adopted. Efforts to launch the intermediary were stymied by the ongoing misalignment between the resident leaders' perspective regarding the role of the initiative—as a source of sustenance for their organizations—and the goals of the initiative—which were to leverage Hewlett's funding to create projects of sufficient scale to affect tangible change, and to develop new networks of influence to support the target area.

As in the planning process, the intermediary was launched upon the notion that residents would have "a *real* say" in determining the direction and character of the initiative. Hewlett's model calls for the board of directors to include at least 51% residents of the target area, and it was intended to give residents a significant role in their community's revitalization. During the course of the initiative many terms and understandings arose regarding the appropriate role of residents. Terms such as "resident-driven," and the notion of community self-determination, were commonly used, although these specific terms were not part of any Hewlett document.[25]

[24] Technically the planning phase was to start in April/May 1998 and end in March 1999. According to this schedule, the first year of implementation would have been from April 1999 to March 2000. Due to the delay in the kick off (detailed in this report's introduction) and the problems forming and seating the governing body, the initiative fell a full year behind Hewlett's original schedule.

[25] Hewlett's NII called for the creation of a vehicle to increasing resident involvement in neighborhood planning and improvement strategies (leadership development).

Staff from TSFF with organizers from the community adopted an imperative to outreach as much as possible, and to include as many people as possible. This led to a number of strategies: 1) creating a membership organization, 2) having a democratic process to elect the leadership, and 3) setting aside the majority of seats for representatives from youth and the eight neighborhoods (13 total). An idealized view of democracy assumes that its participants will be well informed and make decisions for the best outcome for the broadest constituency. Democracy also is open to organizing by interest groups, thus allowing for those with the most political acumen to rise to the top.

By December 1999, the initiative was behind on meeting deadlines and was under pressure from the Hewlett Foundation to move things along. Just three weeks after the bylaws were approved, in mid-January 2000, elections were held for the first 13 seats on the board. Skilled grassroots politicians, many of whom had already been active in the initiative's interim governing board, were elected. They knew what was going to happen when, and they were able quickly to organize a constituency. The meeting at which board members were elected was only moderately attended. Numerous attendees were lacking information about the initiative and did not understand the purpose of the election. It was evident that many had been drafted to vote for particular people. Some had been recruited to fill slots but were unaware of their potential responsibilities. This was particularly the case with the youth members. Other experienced people from West Oakland, including the faith-based communities, did not participate.

The first board, which led the initiative through the first year and half of the second year of implementation, was made up of a mixture of concerned residents without much prior experience in work of this kind, and seasoned community activists. The first set of directors was mostly made up of African Americans. The African-American community is well organized, and as already noted, has a long history of political action. Despite dramatic increases in the target area's Latino population and a rising Asian one too, neither has established a political base. Efforts made to increase the diversity of the board in terms of race and ethnicity and age were not ultimately successful.

A small group of Latinos and youth were elected in the second set of board elections in March 2000, and a symbolic statement was made by electing a Latino chair. But there was virtually no support to allow for effective participation. For example, translation devices to assist monolingual Spanish speakers were generally not available, and this largely new immigrant group was wholly unfamiliar with board decision-making processes. (A year later, in February 2001, again several Latinos were elected to the board, but conditions had not changed, and they were not effectively incorporated.)

For the most part the activists on the board, who became the dominant voices, were African American and represented well-established organizations within West Oakland. They saw their role as obtaining resources to assist their organizations. The community plan was relevant only to the extent that it facilitated this process. Their style was oratorical, rich in posturing, and at times confrontational. Many other directors, particularly but not exclusively, youth and Latino members, stopped attending meetings.

The board on numerous occasions had difficulty reaching quorum, and decision making that was already tense became almost impossible.

The Hewlett Foundation expected the initiative to utilize the funds allocated for programs to leverage greater resources, build collaborations, and broker deals in the service of implementing the community plan, and this was not happening. TEAMWORKS reports stated that the governing board did not yet have the capacity adequately to fulfill its governance function, particularly regarding grants disbursal.[26] TSFF requested a six month extension, which was approved, in order to prepare the elected board members for their governance function, and "to establish internal Board roles and responsibilities, sound accounting and financial systems, and a set of standard operating procedures."[27]

TSFF commissioned technical assistance from NEDLC and the University of California's Institute for Urban and Regional Development (IURD), and also requested help from a University of California at Berkeley community development studio class to assist the board and the work groups to build capacity, gather baseline data, perform various action research projects, refine the goals of the community plan, and develop grantmaking policies. Implementation of the community plan was put off while the internal capacity of the intermediary was built. It was eight months before an executive director was hired (October 2000). Another three month extension was requested and approved (January-March 2001) to enable the 7th Street McClymonds NII to disburse its first set of grants in February 2001. (For details on the grantmaking process, see section 2.2.1.)

The San Francisco Foundation

During the planning phase TSFF was charged with two roles, lead agency and managing partner. As lead agency, TSFF led the planning process of the initiative, ensured that by-laws were appropriately written and adopted, facilitated board elections, and staffed the board of directors until an executive director was hired, when the role of lead agency technically ended (May 1998-Oct 2000).[28]

As managing partner, TSFF also throughout the time of the initiative (1998-2003) was responsible for coordinating technical assistance, overseeing the development of a baseline, assembling and convening an advisory committee, fund raising, and overseeing the grants made with Hewlett funds. Until an executive director was hired, TSFF was overwhelmed with choreographing all these elements, and it was increasingly apparent that sufficient staff were not allocated to the initiative to manage the workload.[29]

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[26] See TEAMWORKS report March 2000.

[27] This was the second extension for the initiative.

[28] In Hewlett's other two sites local agencies played the role of "lead" facilitating the planning process, with the local community foundation the managing partner. In Mayfair (San Jose) nine months transpired after the plan was completed and an executive director hired for the nascent intermediary. The process took six months in East Palo Alto. In West Oakland, due to the governance issues, it took 16 months before an initiative director was hired, a period during which TSFF provided staffing to support the new organization.

[22] For example, early on the initiative coordinator's time was inappropriately taken up with administrative tasks, such as taking and typing up board meeting minutes.

TSFF had a deeply held belief that the direction of the 7th Street McClymonds Corridor NII was to be determined by resident leaders. This belief created a management style within TSFF that was more responsive to what was happening on the ground than proactive in asserting either its own, or the Hewlett Foundation's sense of how and when things should be happening. This had a number of important consequences.

TSFF found itself caught between the differing perspectives and priorities of the Hewlett Foundation, particularly regarding timeliness and appropriate modes of operating, and those of the 7th Street McClymonds' resident participants. Once assembled, the board of directors became the primary vehicle for resident involvement. The original work groups had been dismantled once the plan was written and town hall meetings were held less often once the board was elected. TSFF understood its work to be supporting the process of the community, rather than driving a specific agenda, believing that with time the budding 7th Street McClymonds organization would fulfill its obligations. For TSFF it meant repeated requests to the Hewlett Foundation for extensions.

TSFF's initiative staff chose to protect the board from the increasing pressure from Hewlett, surmising that conveying the messages from Hewlett would stir residents over who was driving the initiative. The strategy was instead to pour technical assistance into the board through retreats facilitated by another technical assistance provider (Community Development Institute), and board development from NEDLC. The technical assistance from CDI was helpful, but too little and too infrequent to make a lasting impression. NEDLC's work was more ongoing, but was not strong enough to make more than a small difference. Meeting management did modestly improve, yet the contentious culture did not fundamentally change. TSFF believed in community self-determination, and its approach was designed to enable the community to lead the process. Increasingly the board's operating style challenged this belief.

TSFF's values also led it to be very sensitive to not get out in front of the community and risk being seen as driving the process. As a result, both the utilization of the high level advisory committee it created and its fundraising were not as robust as Hewlett desired. TSFF recruited an impressive group of people to the advisory committee, which included representatives from the city council, the county, the Port of Oakland, the regional office of the U.S. Department of Housing and Urban Development, and other important powerbrokers. Committee members demonstrated both willingness and good will. Some members reported that simply being at the same table brought a new interest and synergy to the potential of assisting West Oakland. But the advisory committee was stalled by the 7th Street McClymonds Corridor board of directors' inability to produce clear messages regarding the initiative's priorities, and TSFF's desire not to get out ahead of the nascent organization. With this sentiment guiding its strategy, TSFF also never generated a fund development strategy to assist the initiative.[30]

Implementing the Community Plan

The transition from planning to implementation is always difficult, when a visionary plan must be refined to an immediate set of action steps with specific partner agencies with a

[30] Under direction from TSFF, IURD produced a list of potential sources of resources but not a plan.

finite amount of funding. This difficult process was further complicated in West Oakland by the demands of simultaneously launching an independent 501(c)3 nonprofit organization, the 7th Street McClymonds Corridor Neighborhood Improvement Initiative. Because TSFF acted as both lead agency and managing partner, it was in the uniquely challenging position of both being on the ground with the planning process and the early stages of implementation, and continuing on with the initiative throughout the implementation stage.

Characteristic of comprehensive community-based plans, the 7th Street McClymonds Corridor NII Community Plan is a visionary document that reads more like a wish-list for community revitalization than as a specific plan of action. The visions for its eight areas of action includes more idealistic than realizable goals. The chapter on economic and job development, for example, calls for "living wages for all residents."[31] The overall budget projection calls for well over $7 million to be raised *each year* in support of the initiative's goals over and above Hewlett's commitment.

Such bold plans should be subject to further refining into a narrow set of priorities and a series of manageable projects. The most vocal core of the 7th Street McClymonds Corridor founding board were active participants in the planning process, but once on the board they gave the plan little attention. Further, the board never cohered around a mission and vision for the organization, or a clear set of priorities for action. Technical assistance was deployed repeatedly for this task, but this kind of focusing did not gain traction.[32]

The first round of grants was disbursed in February 2001. In preparation for this, late in the previous August work groups were reinstated to create priorities from the community plan, and TSFF hired support staff for its coordinator. The fall was taken up with what felt like a breathless process simultaneously to learn and implement grantmaking procedures. NEDLC was hired to train the board and work groups, and IURD was also engaged to provide research support to the work groups. Ultimately the process resulted in 12 grants being made for $508,000.

This was a significant circumstance in which the role of residents was unclear and perhaps inappropriate. Members of work groups and the board, with little or no previous experience, were asked to manage the professional task of grantmaking. They were not clear about their roles either in relation to one another other, or in relation to TSFF, the board of which made final approvals of the grants. The technical assistance provided was not adequate to manage the process. Work group chairs and board members became competitive in their plans to channel the initiative's resources to their respective organizations. TSFF now found itself confronting the same issues that had unraveled other initiatives in West Oakland.

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[31] 7th Street McClymonds Corridor Community Plan, pp. 64.

[32] NEDLC was engaged first to do board development and to guide the grants process for the first year of implementation. IURD was brought on to help the board create community-wide indicators during the second year of implementation. The Hewlett Foundation re-engaged the Community Development Institute beginning in July 2001 for more intensive and consistent training and coaching.

Significant funds were granted to organizations with which board members were associated. Concerns about conflicts of interest were raised, motivated in part by those on the board who tried but did not succeed in channeling funds to their own affiliates. Several investigations analyzed the situation, and legally it was determined that no conflict had arisen. The initiative's bylaws allow for "a self-dealing transaction" if a majority of the board determines it to be in the best interests of the organization.[33] However, there was widespread concern that the process had not been transparent enough, and the common perception was that those on the board were acting in their own best interests, rather than acting to foster broad community faith and partnership.[34]

Establishing the Intermediary

The philanthropic field of comprehensive community initiatives is relatively new. Such initiatives' complexity and focus on repairing years of harm in low income communities make them, by their very nature, challenging to understand and mount. Not surprisingly, efforts to establish the 7th Street McClymonds Corridor NII structure reveal a lack of understanding about what an intermediary organization does, what tasks it undertakes, and what skills are needed. In addition, efforts to hire staff did not take adequate account of the tremendous skills needed to build a start-up organization of any kind.

The 7th Street McClymonds Corridor NII's executive director was hired in October 2000. The candidate selected had a background as a community leader. During his tenure, he hired several staff members and leased an office space. The office in particular brought attention to the initiative, as its conference room was frequently used by organizations in space-hungry West Oakland. Over the course of the executive director's tenure it became apparent that the individual did not have the technical skill to establish a start-up nonprofit organization. TEAMWORKS reported concerns about the director's capacities and the failure to develop basic infrastructure.

The staff positions filled illustrate both the board and the executive director's understanding of the role of the initiative. The first position was for an outreach worker, which after personnel turnover was elevated to outreach coordinator. The imperative was to spread the word, get people enrolled as members in the organization, and recruit people to the work groups and to town hall meetings. There was an overarching discourse about needing to include the community because of the historical and current sense that revitalization efforts were controlled by insiders. The irony is that the people stating this were often those who were positioning themselves to channel resources to their organizations. Staff positions were not designed with expertise in program areas, for example, or in convening high-level stakeholders, building collaborations, leveraging resources, and brokering deals, the primary work of an intermediary.

At the February 2001 town hall meeting, interim board members were elected to fill seats of directors who had stopped attending. Constituents registered dissatisfaction with the

[33] Bylaws of 7th Street McClymonds Corridor Neighborhood Improvement Initaitive, Inc., pp. 17.

[34] It was evident from the in-depth conversations held with NEDLC, that members of the board, who had helped to write the bylaws, were very savvy about the legal limits of what they intended to do.

process of the initiative, particularly regarding concerns of self-interest on the part of the board, and that grants made did not take account of the community plan. TSFF enlisted the assistance of IURD and the community development studio class to provide further help to the initiative. IURD at that time was doing site visits, working on establishing a project tracking system, neighborhood indicators, and a baseline. The studio course helpfully brought in research regarding the enormously complex and significant field of redevelopment. The initiative failed to hold board elections in May to turn the interim seats into permanent seats.[35] At the end of February 2001, TSFF's initiative coordinator resigned to accept another job.

Mandate for Improvement

In June 2001, with the start of year two of implementation (according to the original timetable, this should have been midway through the third year), the Hewlett Foundation and TSFF met with the board of directors to deliver a mandate for improvement. The initiative was given six months to move forward with several tasks, most importantly developing its cornerstone projects. Board members complained as if the information was entirely new to them and charged that the Hewlett Foundation and TSFFwere now changing the terms of agreement. TSFF's initial coordinator had shielded the board and staff from the growing pressure from Hewlett, hoping to steer clear of the debate about who was running the initiative and also to keep the atmosphere receptive to training. But TSFF's multiple efforts to help the board focus its vision and work had produced few gains.

TSFF's first coordinator had facilitated a strong planning process and carried the initiative through its board's formation and two elections. At the beginning of July 2001, the TSFF hired a new initiative coordinator who had managed his own planning firm and new senior staff with expertise in affordable housing. TEAMWORKS reported that TSFF's new team management structure and staffing had infused new energy and brought the promise of better integrating the initiative within TSFF and providing the range of skills needed for its operation.

The Hewlett Foundation drew upon its own resources and directly secured ongoing, consistent technical assistance from the Community Development Institute for the board and the initiative's executive director in an effort to get the initiative back on track. Board development efforts were undertaken through the fall, when the second round of grantmaking was done. TSFF, with assistance from IURD, appropriately took a strong hands-on approach to the second round of grantmaking, which by all accounts was much improved over the first.

A New Governing Board

In March 2002 elections for the board were finally held, and this brought about a sea-change. Sixteen members were elected, 12 of them new. Stakeholders from multiple sectors, but particularly from TSFF and 7th Street McClymonds Corridor NII staff, attempted to recruit new, better qualified, and less self-interested members to the board.

[35] In addition, 7th Street McClymonds repeatedly violated its own bylaws by not holding quarterly town hall meetings, which had been intentionally included for the purpose of fostering community input.

Evidently numerous interests in West Oakland worked to see a shift in the initiative's unfocused culture. Many of those who had dominated proceedings earlier were voted off the board, and new faces appeared. There was promise of more collaborative behavior that would be more directly responsive to the initiative's requirements.

The new board took office in the midst of crisis: the initiative was many months behind schedule in developing its project focus; the executive director was determined to be unable to carry out the job; infrastructure of the organization was undeveloped; and the Hewlett Foundation had instituted a new results-based accountability approach that required the initiative to rapidly learn and develop detailed logic models. TSFF took leadership in learning, utilizing, and teaching elements of the outcomes-based evaluation material.[36]

To its members' credit, this so-called second board, rolled up its sleeves, fired the executive director, hired an interim management firm, reconvened the community on several occasions to develop cornerstone project areas, worked to meet the requirements of outcomes-based evaluation, and in many cases took on staffing roles because the demands of the work far exceeded the available people-power from either the intermediary or TSFF. A core of this group devoted a tremendous amount of personal time and energy to the effort.

To further assist the intermediary, Hewlett, again adding resources to the NII, secured the services of the professional search firm of Walker and Associates to facilitate the board's search for an executive director. Unfortunately during the processes of preparing for grantmaking, and hiring the new executive director, characteristics appeared among leaders of the second board that bore troubling resemblance to those who had dominated the first board. For example, members of the board who were privy to confidential information made efforts to circumvent the funding process by submitting proposals prior to the release of the agreed upon requests for proposals.

In addition, the search for an executive director was undermined by confidential information being shared regarding the identity of the candidates for the executive director. Behind the scene maneuvering occurred, in some cases by former board members, who inappropriately contacted candidates, making demands in exchange for promising votes on their behalf. Reflective of the schism within the board, the full board rejected the top candidate put forward by the search committee by a vote of 7 against, 5 for, and 4 absent. TSFF provided the second ranked candidate with information about what transpired, at which time the person elected to withdraw. The search committee could not agree on a third candidate, and ultimately the search did not yield a candidate acceptable to all parties.

[36] TEAMWORKS had reported that there was considerable confusion about outcomes-based requirements because of the evolving aspects of its language and occasional conflicting terms used by IURD and a new technical assistance provider, JMPT, that Hewlett had hired. TSFF's initiative coordinator was faced with coordinating input from both groups and creating a consistent language.

The Dissolution of the Intermediary

This situation was enough to cause the Hewlett Foundation and TSFF to dissolve the intermediary. They concluded that the problems that had plagued the founding board had not been eliminated by the election of a new board. The foundations were no longer willing to tolerate the breaches in confidentiality, the efforts to channel money to particular organizations, and the heavy handed politicking. Thus the misalignment between the goals of the initiative—to foster wide and open community participation, partnership and coalition building, and leveraging of additional resources into the area—and the 7th Street McClymonds Corridor NII's style of leadership ended the opportunity of the NII for a broader constituency.

The Hewlett Foundation and TSFF sought to create transparent and equitable processes through which funding would be distributed and an executive director would be hired. Certainly many residents associated with the initiative, particularly but not exclusively on the board and participating in the work groups, stated that they wanted the same thing. For some this certainly was the case. For others, the gap between speech and action was wide.

The initiative's actual decision-making processes invariably proceeded through hidden and politically charged ways. Those accustomed to functioning in this way considered their approach to be in the best interests of their community. However, Hewlett's NII was intended to dramatically broaden the visibility, reach and significance of its target areas by building connections into and out of the communities to multiple sectors. The funding was intended as seed money to leverage additional resources, and to incubate new projects and pilots, not as money simply to keep going the longstanding community-based organizations of the area.

The Hewlett Foundation and TSFF decided to shut down the intermediary office. Staff was given severance pay. These actions were taken swiftly, within just a couple of weeks of the failure to achieve consensus regarding a new executive director. Residents and community members from both within and outside of the initiative have expressed shock, a lack of understanding, and resentment regarding the way in which the initiative office was closed. In addition, the perception among some members of the community is that funding was cut by the foundations when they could not control the outcome of the executive director search, echoing the ever present charge of whether the initiative was truly resident driven. The loss is greatest to those residents who contributed untold hours to the initiative's work groups, who participated in its town hall meetings and/or served on the board of directors, whose hopes were high, but who did not succeed in steering the 7th Street McClymonds Corridor NII in a productive direction.

Aftermath

TSFF recognized that the closure of the initiative office was not done in a way that was sensitive either to the staff, board members, or the larger community. TSFF moved quickly to organize a series of listening sessions that included former 7th Street McClymonds Corridor NII board members (old and new), elected officials, West Oakland nonprofit organizations, NII advisory committee members, key community

leaders inside and outside of West Oakland, and long-time community residents. Group and individual sessions were held with approximately 80-100 people total, with both familiar and new faces. The sessions conveyed why the intermediary had been terminated, talked about possible next steps, and gave participants the opportunity to express their concerns.

TSFF also undertook to shepherd to completion the initiative's grants making process for year three implementation. Under the guidance of TSFF's chief executive, the initiative coordinator has worked closely with TSFF's chief operating officer and board of directors to oversee the disbursement of Hewlett's NII funds. Their decision process has been guided by the cornerstone project areas identified earlier by the 7th Street McClymonds Corridor NII board and work groups. One good example of TSFF's effort to reflect the initiative's intentions was the coordinator assembling two broad-based proposal review teams in the areas of workforce development and youth education. Both teams included funders, community residents, practitioners in the respective areas, researchers, and former members of the 7th Street McClymonds Corridor NII board of directors and work groups. This led to better grantmaking and network building that was more consistent with the Hewlett NII goals.

TSFF's initiative coordinator continues to foster relationships with NII grantees, regularly attending, for example, the meetings of the Regional Technical Training Center, and to seek out ways to leverage resources into West Oakland. In addition, TSFF has been working with the Hewlett Foundation to find ways for Hewlett to fulfill its financial pledge to the West Oakland community. At the time of this writing the Hewlett Foundation has agreed to support TSFF's developing a plan for a student center located at McClymonds High School that integrates and coordinates health, youth development, and social services. This is directly related to a need identified by NII participants during the initiative's third year.

Finally, some of the 7th Street McClymonds Corridor's former board members and staff sought to be reinstated after the intermediary office was closed. Meetings were held with former board members and representatives from the Hewlett Foundation to review the situation. Although their requests were not granted, this group reportedly continues to meet and seeks to create a new organization. Its new work is focused on increasing parental involvement at McClymonds High School and two local middle schools. Now called the 7th Street McClymonds Leadership & Engagement Initiative, this group received a grant of $25,000 for this work from Hewlett NII funds.

2.2 Contributions to the Community

This section addresses the research question: *What contributions has the initiative made to fulfilling the goals of the NII, in terms of project and process (networks formed) outputs?*

2.2.1 Improved Project Choices and Outputs

Later rounds of community grantmaking reflected relatively high levels of focus, strategic clarity, and consideration of partner capacity to deliver on objectives, resulting in a portfolio of projects with higher potential for successful outcomes.

This section is primarily concerned with examining the last round of NII projects in West Oakland, i.e. projects funded since July 2002, which were disbursed by TSFF after the dissolution of the intermediary. We consider the current year three portfolio in terms of its relationship to the 7th Street McClymonds Corridor NII cornerstone project areas, theory of change, and potential for impact on the community. In order to produce a more meaningful assessment, the present situation is prefaced by a summary of past project selection processes and outcomes over the life of the 7th Street McClymonds Corridor NII.

Background of Grantmaking

From the beginning of the initiative's implementation phase, initial responsibility for setting project priorities, soliciting and reviewing proposals, and regranting recommendations fell first to the intermediary, followed by review and regranting endorsement from TSFF's board. Especially in the beginning, the process at the intermediary level was complex and often opaque, with a changing combination of work groups, staff, and board members taking on ill-defined roles and responsibilities around project selection.

The initial round of proposal review and regranting took place in the first quarter of 2001. At that time, 7th Street McClymonds Corridor recommended the award of $508,000 to twelve projects across a wide range of areas. Although several of these projects – such as the People's Credit Union and the Mandela Village project -- have proven their value and received renewed NII funding, as a whole the first round portfolio bore little relation to the community plan and did not reflect a strategy for community improvement. Proposals came in "over the transom," rather than in response to a request for proposals (RFP) specifying initiative priorities or selection criteria. Implementing partner capacity was highly uneven, and expected outcomes were unclear. The process as a whole was rushed, and conflict of interest and self-dealing issues arose when grants were awarded to organizations headed by several members of the 7th Street McClymonds Corridor board. Although the decision-making process was found to not violate the letter of the intermediary's bylaws, it did reinforce community concern and suspicion about who the real beneficiaries of the initiative might be.

Year 2

Following these inauspicious beginnings, and partly in response to them, both the process and the outcomes of project selection and implementation improved considerably. The second round of regranting decisions, in late 2001, was a meticulously detailed and transparent process by comparison. TSFF with help from IURD provided extensive guidance and close involvement in a process designed to equip members of the board and the work groups, many of whom had never before reviewed a grant proposal, with the knowledge and skills needed to assess plans and priorities and make award

recommendations. This was a tall order for the participants, who had to simultaneously learn and apply a new set of practices from a specialized field.

The initiative developed and distributed a request for proposals that set funding priorities in three issue areas referenced in the community plan: youth and seniors, community building, and affordable housing. At a community meeting in which the RFP was circulated, TSFF held how-to-apply workshops for interested respondents and, along with IURD, set up a carefully managed and transparent proposal review and rating process. This time, 7th Street McClymonds Corridor received 78 proposals, of which 32 were accepted and funded for a combined total of $510,000.

The allocation of funds across issue areas was more even than in the first round, and a few projects began to stand out as "cornerstone" items. In addition, the Matrix project, jointly sponsored by the NII (with a $100,000 contribution from TSFF) and the Alameda County Supervisor's office, offered a structural approach to community improvement through a program designed to build the organizational capacity of twelve West Oakland community-based organizations. Despite these positive signs, a unified strategy and a clear relationship to the NII theory of change were still missing from the portfolio of projects as a whole.

Transition and Year 3

An apparent sea change came in 2002, following the Hewlett Foundation's rollout of its results-based accountability model in April of that year. With extensive additional technical assistance from TSFF, JMPT[37], and IURD, in the third quarter of 2002 the initiative adopted four community wide outcome priorities: 1) increased labor force participation, 2) youth ready to succeed in school and beyond, 3) increased access to affordable housing, 4) decreased chronic community crime and public safety problems. Work groups corresponding to each cornerstone area recommended funding allocations to the 7th Street McClymonds Corridor board. In December limited invitation requests for proposals were distributed, and TSFF gave a special how-to-apply workshop. The request for proposals was offered to 25 West Oakland community-based organizations, resulting in 21 proposals.

The present portfolio of NII supported projects in West Oakland is the most tightly focused and strategic in the initiative's history. Following the intermediary's dissolution and the subsequent reorganization of the initiative, the decision was made by TSFF to further narrow the scope of priorities receiving the lion's share of funds to youth and workforce development. Eleven proposals were received for these areas, of which six were funded in March 2003, for a total of $421,500 in NII funds. Grant recipients and amounts are detailed in Exhibit 2-A.

[37] JMPT, a Bay Area firm specializing in outcomes data collection was commissioned by the Hewlett Foundation to develop the capacity of the three NII sites to comply with its new results-based accountability requirements.

Exhibit 2-A.
Year 3 Grants Batch I: Approved March 2003

Grantee	Purpose	Cornerstone Area	Grant Award
Marcus Foster Educational Institute	Literacy strategy, youth 0-8	Youth	$80,000
Museum of Children's Art (MOCHA)	Youth leadership/after school services	Youth	$100,000
McClymonds High School	School-based health Center	Youth	$50,000
BACSIC	Construction pre-apprenticeship training and employment	Workforce	$52,500
RTTC	Tech training in biotech	Workforce	$75,000
Youth Employment Partnership	Youth vocational training in affordable housing construction	Workforce	$64,000
TOTAL			**$421,500**

A second, smaller round of grantmaking was approved by the TSFF board in July 2003, for projects supporting the original community plan but falling outside the two priority areas (detailed in Exhibit 2-B). A number of these projects had received previous NII support and were found to bring unique and important value to the community. Among them are the senior shuttle, which provides rides to shopping, meals, and health care for West Oakland seniors; and the People's Credit Union, offering checking and savings accounts and financial literacy services in a community otherwise entirely without commercial banking services. Support continues as well for the West Oakland Community Collaborative, a group made up of many of the twelve organizations that graduated from the earlier Matrix program, to strengthen organizational capacity and identify areas for partnership in service delivery.

In addition to being more closely tied to community outcomes and strategic objectives, current grant awards reflect care in the choice of implementing partners. Most of these grantee agencies either have proven capacity to deliver on targeted outcomes, or benefit from the close involvement of TSFF in supporting and monitoring project execution.

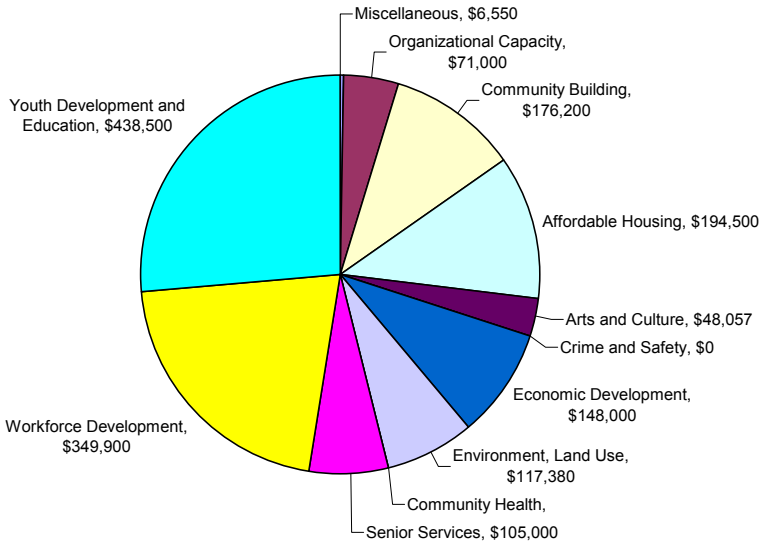
Despite the challenges experienced by the 7th Street McClymonds Corridor NII in reaching strategic clarity and program focus, and the corresponding unevenness in resource distribution that went with it, by the third year the allocation of Hewlett funds were better aligned with community identified cornerstone areas. Administrative costs

Exhibit 2-B.
Year 3 Grants, Batch II: Approved July 2003

Grantee	Purpose	Amount
Bay Area Community Services (BACS)	Senior Shuttle	$27,500
People's Credit Union	Community financial services/access to capital	$25,000
West Oakland Community Collaborative	Org capacity building for community non-profits	$40,000
Youth Sounds at McClymonds	After School digital storytelling program	$20,000
McClymonds Attitudinal Healing Connection	Parent leadership and Engagement	$25,000
Friends of Oakland Parks/ West Oakland Commerce Association	Revitalize two key community parks	$10,000
Family Independence Initiative	Low income family connections for self-sufficiency	$25,000
TOTAL		**$171,500**

and organizational capacity aside, over the life of the initiative the largest share of Hewlett grant funds has gone to youth and work force development, followed by affordable housing. The great exception is crime and safety, which received no funding at all from Hewlett NII dollars, and little funding from other sources (see Exhibit 2-C).

Exhibit 2-C.
Distribution of Hewlett Foundation Dollars by Program Category
1998-2003



Sharper focus of limited resources on a narrow set of cornerstone project areas means inevitably that other areas which may also merit concern receive less attention. TSFF appears to have taken this into account in allocating its own funds to West Oakland projects, particularly where environmental issues are concerned. A more complete discussion of TSFF contributions to West Oakland may be found in Section 2.3 of this report.

2.2.2 Projects as Laboratories of Social Innovation

Beyond their service-related outcomes several 7th Street McClymonds Corridor NII projects stand out for pioneering new models of service delivery or program design that hold long term potential for wider application and larger impacts.

Among the many roles assumed by foundations is providing seed funds for social innovation. This is especially so in the San Francisco Bay Area, where the spirit of venture investing and innovation is not limited to technology or business, but is part of the regional culture. For philanthropy, such a role accords especially well with the relatively small scale of available grant dollars, combined with the local knowledge and close working relationships that community foundations in particular often enjoy with community partners. Not unlike their business venture counterparts on Sand Hill Road, Hewlett and TSFF have figured prominently as the "social venture capitalists" behind programs seeking ways to address emerging gaps in social services or improve service delivery outcomes in areas where existing systems are widely considered broken. Although the extent of it is difficult to trace and quantify, the knowledge gained from successful experiments of this type can be enormous.

Several NII projects deserve mention for the development and testing of innovative approaches to addressing persistent social and economic problems. These four stand out:

1. Workforce Development Roundtable. The Regional Technical Training Center (RTTC) received a $5000 grant to develop a roundtable convening business leaders together with representatives from education, community, and government sectors. In the short term, the roundtable is beginning to implement "Project 100," which will identify 100 jobs that need to be filled, and recruit, train, and assess candidates to fill them. In the longer term, the roundtable promises to create a more effective system of job training responsive to real industry requirements and including extensive candidate assessment before referral. The roundtable is built upon the success of an earlier RTTC pilot effort, also funded by the NII, to create a biotech training program in partnership with Chiron, which successfully placed 6 out of 7 graduates in Chiron jobs, all of them West Oakland residents.[38]

[38] The original biotech class, started in February 2002, drew resources from Alameda County Social Services Agency (ACSSA) (approx. $80,000) and Chiron, the employment partner (in-kind over $50,000, as well as the promise of job placements, about $30,000 per year per job). In March 2003, the NII provided

2. Youth Employment Partnership (YEP): A veteran Oakland organization, YEP had for years engaged West Oakland youth in programs designed to provide training and employment in construction trades – and generally met with poor outcomes in terms of retention when compared to East Oakland, where the program's offices and construction jobs are located. With a $64,000 NII grant to provide six months training for 16 West Oakland youth, the program also sought ways to improve participant retention.[39] Some of the more successful measures to accomplish this proved to be quite simple, such as providing participants with BART tickets for travel from their homes in West Oakland to training and job sites in other parts of the city. Early results are encouraging. To date, of the 16 youth originally entering the program, two have graduated and are working, another 11 are still in training and nearing completion, and two others have moved to other job training programs.

3. West Oakland Senior Shuttle, operated by Bay Area Community Services the West Oakland Senior Shuttle is one of the initiative's most innovative and successful projects Start-up funding from the NII in 2002 leveraged additional funds from the city of Oakland.[40] Based on the shuttle's demonstrated ability to meet needs better and less expensively than the existing para-transit system, the city has since committed to ongoing support for the shuttle and is currently the program's major funder. The shuttle runs from 500 to over 750 one way trips monthly, with service four days per week, four hours/day, originating from pick-up points at senior housing sites in West Oakland to destinations throughout the city offering shopping, meals, health care, and other social services. In addition to point-to-point transit, shuttle attendants are available to help riders with bags and packages. Destinations are flexible and responsive to the wishes of riders, who are regularly polled by shuttle coordinators regarding their interests and satisfaction with the service. Coordinators communicate as well with merchants and service providers at destination points concerning availability and scheduling of goods and services. More recently, the service has added social destinations such as movies, in response to rider requests. The great innovation of the shuttle service has been to take transportation beyond an isolated service like the city's para-transit system, to a full service offering that responds to the larger context of senior's mobility needs and challenges, and integrated into their lives.

4. The People's Community Credit Union provides the West Oakland community with access to capital and financial services, including loans, financial literacy training, and income tax assistance. Since its opening in March 2001, the credit union has grown to close to 1000 members and $2.8 million in capitalization.

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an additional $75,000 grant. Additional leveraged resources came from ACSSA ($210,000), TSFF ($20,000), PG&E ($25,000), Chiron ($15,000), the Port of Oakland ($78,000 in in-kind resources).

[39] YEP leveraged the NII funding to secure $160,000 in HUD Youthbuild dollars and $75,000 from the city of Oakland.

[40] In July 2003, the NII provided an additional $27,500 to continue the project, leveraging $127,500 from the city of Oakland's Life Enrichment Agency toward the project this year.

Through its Volunteer Income Tax Assistance (VITA) program, the organization was able to help file 54 tax returns and realized a total of $45,000 in income tax refunds for West Oakland residents. In the process, the credit union has partnered with a range of organizations not previously involved in the West Oakland community, including Junior Achievement and FDIC (on the development of financial literacy curricula), the National Association of Black Accountants (for VITA services), Haas Business School and Project SOAR (to stimulate college saving through an Individual Development Account program).

The credit union is the only institution of its kind in West Oakland, where there are no banks and the only local financial services alternative is check cashing and wire transfer outfits that charge exorbitant fees. NII funding has enabled the credit union to add staff, grow membership, and extend opening hours from three to five days/week. The latest round of funding has also earmarked $10,000 to support the implementation of ATM capability, which by expanding cash access to places beyond the credit union's single office, will also expand its potential market.[41] In these ways, the organization is pioneering a new model of financial service organization for underserved communities, combining the accessibility and services of a community bank with the support services of a membership organization and the linkages of a broker.

Intermediary organizations suffer a lack of recognition for the critical part they play in helping to launch and incubate such programs. This is because the activities and purpose of an intermediary are new, driven by current research and creative networking. They are a fundamentally different paradigm trying to gain footing in a world of organizations dominated by direct service provision. One result is that interviewees expressed a range of opinions about the initiative's accomplishments. Some appreciated the instrumental role NII funds and brokering of relationships and deals played in the foregoing projects. Others did not associate these projects with the initiative because the initiative did not itself mount the projects.

2.2.3 New Networks Develop

At the periphery of the initiative, new networks invite participation from previously marginalized sectors of the community, support constructive engagement, and offer alternative models of power.

A cardinal tenet of the NII is that communities like West Oakland are disadvantaged in large part by their isolation and insularity. While the theory holds overall, the actual experience of the NII in West Oakland points to several notable refinements. It was not that West Oakland was disconnected from the larger community of the city of Oakland and its business and political circles, but that the networks that connected West Oakland to the larger world were monopolized and manipulated by a few in the service of narrow

[41] PCCU derives substantial resources for fees and support for their membership from a network of credit unions. PCCU used its $25,000 NII grant for 2003 to leverage additional grants from TSFF ($25,000), US Bank Foundation ($15,000), and the Community Development Financial Institution ($31,000).

individual interests rather than broader community welfare. Access, not existence, was the issue.

Over the course of the NII, some new networks developed that followed a more open, accessible model. The senior shuttle and the credit union, described earlier, are cases in point. Interestingly, several other similarly positive examples have emerged, largely at the periphery of the NII, spearheaded by NII grantee organizations that otherwise kept aloof from the power struggles and interests of 7th Street McClymonds Corridor NII's leadership. Below we examine two.

McClymonds High School

Among the most striking of these new networks is the set of connections developing in and around McClymonds High School, described as being, until recently, a place where "the doors were closed and nobody wanted to know what was going on inside." Stanford University and IURD became actively involved in programs to help youth prepare academically for college. Special youth savings accounts stylized on Individual Development Accounts were made available through the credit union to help them prepare financially for college. YEP, which had previously decided to stay out of the NII, has now joined the school-centered network of service providers. Most recently, a grant to fund the construction of a student health center at the high school has brought a new sector into the mix. The high school is showing signs of potentially becoming a hub for outreach to West Oakland youth across a full range of issues relevant to their lives. With active support from the school's principal, a network of organizations is delivering a set of support services that together have the promise of providing much needed stability for the youth.

West Oakland Community Collaborative

A second example of new forms of connection and collaboration in West Oakland comes from the West Oakland Community Collaborative, a group of twelve community non-profit organizations, all graduates of the NII-funded Matrix capacity building program. Matrix brought together organizations offering different sets of services and programs in the community, but facing similar challenges in internal capacity. Convening these organizations as a group to tackle their common challenges made it possible to leverage to the individual participants capacity building technical assistance, much of which came in the form of pro bono expertise. In addition, many of the participating organizations had never before met with one another. Matrix opened the way to building ties between them with an eye to creating more integrated local service networks and, eventually, to eliminating redundancies and covering service gaps.

An evaluation of Matrix identified that building a sense of community among the participants was the most significant outcome of the program.[42] As a formalization of these nascent relationships, the collaborative is building its own organizational

[42] *West Oakland Matrix Focus Group Evaluation*, Montesinos & Associates, January 2002. Focus group participants also identified training in financial management and communications to be particularly helpful. While 25 organizations registered for the program only 12 finished. Reportedly the time demands were too great for the primarily small organizations that registered.

infrastructure, including bylaws, and has requested and received funding toward support of its operations. Most importantly in the cultural context of West Oakland, it is providing a platform for building trust. It is too early in the life of the collaborative to expect major outcomes, but a few small achievements point to positive potential for the future. The group has continued to meet regularly at the offices of one of the members, which has also offered its yard to fellow members seeking space to celebrate program achievements such as graduations. Joint projects and the beginnings of service integration are also in evidence. For example, a youth program and a transportation service provider were able to coordinate transportation services for youth activities.

Though residents are involved, the networks forged in the process of creating programs like these are notable for welcoming outside expertise and not being dominated by individuals or organizations with self-interested agendas. The origins of this project-based activity lie in the more transparent grantmaking of the intermediary's second year and were furthered by TSFF taking charge of the process after the dissolution of the intermediary.

2.3 Role of the Managing Partner: TSFF

In the following, we continue to examine the contributions of the initiative to the goals of the NII, shifting from projects to financial and human resource investment.

2.3.1 Majority of Funds Goes to Projects

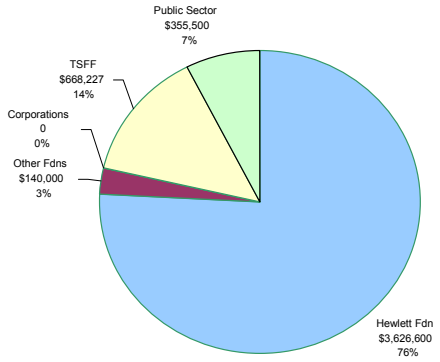
Total investment in the 7th Street McClymonds Corridor NII was $4,790,327. TSFF contributed $668,227 of its own resources, or 14% of the total, to the NII. Other fundraising was not as robust as would have been desirable.

Leveraging Money

Total investment in the 7th Street McClymonds Corridor NII was $4,790,327. Hewlett's contribution constituted the largest share of funding $3,626,600 (76%). While there was limited effort by TSFF to raise support from other institutions, it drew upon its own corpus to provide $668,227 (14%) of the total direct support for NII grantees. Refer to Exhibit 3-A for the distribution of funds for the NII by sector.

TSFF did not actively pursue seeking resources for the NII from other foundations or from the public sector. While government coffers were in better condition than in recent past years, both the city and county nevertheless were financially strained during the period when TSFF would have been looking to raise additional funds. Like the group of advisory committee members it assembled, TSFF awaited sharper direction from 7th Street McClymonds Corridor board. People wanted to be sure that they used their limited opportunities for an "ask" wisely. And importantly, TSFF and advisory board members did not want to be accused of getting out ahead of the initiative.

Exhibit 3-A.
Total Funds for NII
1998-2003



The fundraising that did occur rightfully first focused on capacity building, an area about which there was broad agreement (see details in the following section). This led to a sizable investment from the Alameda County Department of Human and Social Services ($100,000), which was matched by TSFF, for the Matrix program. Also, TSFF paid for organizers who were instrumental in mobilizing residents, frightened by rising crime, to appeal to the city councilperson's office for street light upgrading. The councilperson secured a $95,000 commitment from the city's Department of Public Works to do the upgrading. The councilperson's office also contributed more than $100,000 for a greening project in West Oakland, where such public space is at a premium.

TSFF did very limited outreach within the foundation community, producing only three proposals that yielded three grants. These went to the United Way of the Bay Area ($20,000 for capacity building), the Haas Jr. Foundation ($75,000 toward IURD's technical assistance role), and the Coalition of Community Foundations ($45,000 for hiring a youth coordinator).

TSFF notably did look within to its own corpus to provide support to the NII's grantees, contributing nearly $670,000 from its own funds to support NII grantees. During the five years of the NII, TSFF awarded $1.9 million to West Oakland organizations (see section 2.3.4). The support included supplementing projects funded by the Hewlett NII monies, or for affiliated needs such as strengthening the grantee's capacity (e.g. support for strategic planning), or another program of the grantee. For example, NII monies ($20,000), the source of which was Hewlett, were awarded to East Bay Community Law Center for technical assistance to the coalition forming the People's Community Partnership Federal Credit Union. TSFF complemented this with an award of a grant from its sources ($25,000) that provided the start-up funding for the organization.

For every $3 of Hewlett Foundation monies, another $1 was raised, of which 57% was from TSFF's own sources.

NII Expenditure Pattern

Hewlett's funds were principally used to support projects, a total of $1,584,087 (44%), and costs associated with the NII intermediary organization, including $697,345 (19%) for administrative costs, and $622,524 (17%) for technical assistance.[43] The balance was for the administrative costs of TSFF, $722,643 (20%). The administrative costs for TSFF are for its dual role as lead agency and managing partner, and are distributed over the entire five year period of the initiative. The costs for the intermediary organization are distributed over roughly two-and a-half years.

When all sources of support to the initiative are considered, the total for projects is $2,747,814 (57%), for technical assistance, $622,524 (13%), for TSFF administration (722,643 (15%), and for the 7th Street McClymonds Corridor NII intermediary organization operating expenses $697,345 (15%). The intermediary office could reasonably also be considered a project of the overall NII. This would mean that 72% of the overall funds were directed to projects. Clearly the majority of funds went to projects and was not unreasonably used for administrative costs. The figure for TSFF does not include additional staff time devoted to the initiative by internal team leaders, fellows, and executive staff. The figures demonstrate that TSFF's own administrative costs were comparatively thin, particularly given its dual role. Refer to Exhibits 3-B and 3-C for depictions of expenditures.

Exhibit 3-B.
Hewlett $: Expenditure Pattern

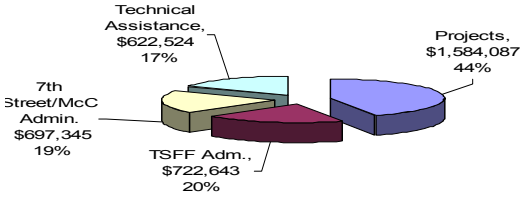
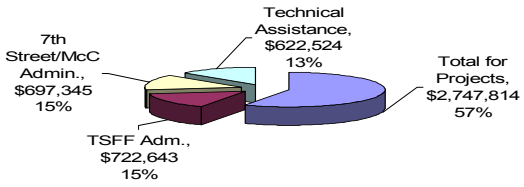


Exhibit 3-C.
All Sources:NII Expenditure Pattern



2.3.2 TSFF Contributes Significant Capacity Monies

The total funding for organizational capacity building committed to the NII by Hewlett, TSFF, and others was $444,000. TSFF used its own corpus and leveraged monies from other sources for a total of $373,000 (84%).

[43] This does not include technical assistance commissioned directly by the Hewlett Foundation for the initiative, including costs for the Community Development Institute for board development and coaching for the 7th Street McClymonds Corridor organization, and the cost of the executive search undertaken by Walker and Associates.

A key element of Hewlett's theory of change was that a strong organizational infrastructure was a pre-condition for placing a community on the road to revitalization and stabilization. West Oakland has had a reputation for a fragile nonprofit sector, with many small organizations of limited resources that lack effective governance ability and operating systems.

Significant financial contributions were made to the capacity building of a range of West Oakland community-based organizations, $444,000 in total cash commitments, of which 53% came from TSFF's own resources.[44]

Soon after the 7th Street McClymonds Corridor NII was created TSFF joined with Alameda County to jointly contribute $200,000 to building the board and staff leadership capacities of a group of West Oakland organizations in the Matrix program. This was supplemented with another $20,000 from the United Way of the Bay Area. While the initiative had yet to determine where it would place project investments, TSFF chose to focus its energies on both the capacity building of the NII and that of organizations that stood to be future partners. Though the NII's board and staff leadership unfortunately did not take full advantage of the program, a notable and unexpected outcome was the decision by a core of the participating organizations to establish themselves as a group to continue to pursue their capacity building. TSFF has provided additional support to sustain the work of this group, now known as the West Oakland Community Collaborative (see section 2.2.3 for more on this program).

Refer to Exhibit 3-D for a chart of Hewlett's and TSFF's allocations by program area. TSFF provided $253,500 from its own sources for efforts such as Jubilee West and the East Bay Conservation Corps to implement technology plans. Of the total allocated from TSFF funds, $178,500 was for the Matrix project and the new collaborative that was created.

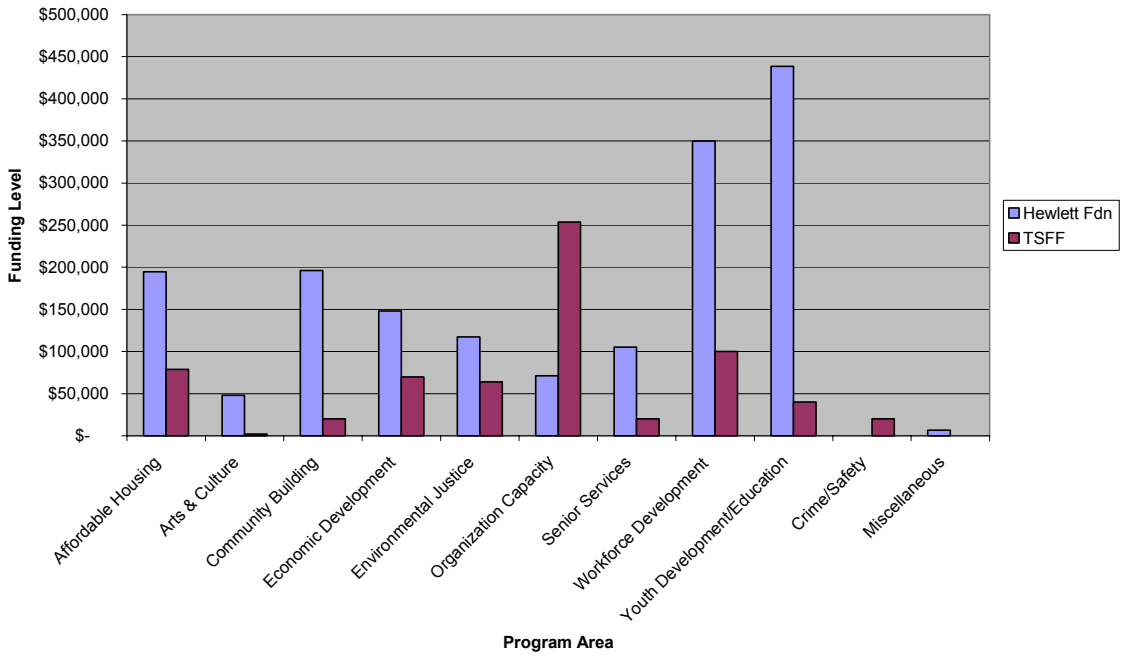
Funds defined for organizational capacity building can oftentimes fit into more than one category. In addition to those monies TSFF specifically labels as organizational capacity, it has made a number of grants that could conceivably be similarly categorized but are recognized in other program areas. For example, a $25,000 grant categorized as "economic development" for the credit union paid for increasing its membership—clearly critical to building its capacity. Another is a $30,000 for "workforce" to BACSIC to pay for core operating needs, to enable it to staff efforts to serve West Oakland's underemployed and underemployed residents.

In summary, one of the chief goals established by Hewlett was to promote organizational capacity building in West Oakland. Using investment dollars as one measure, Hewlett's NII succeeded in addressing one of the NII's chief goals of promoting organizational capacity building in West Oakland. TSFF, as the model sought, took the lead in this area, itself contributing 57% of the total raised and leveraging 30% of the total from outside sources. The creation of the West Oakland Community Collaborative, though itself

[44] This figure does not include the $697,345 that the Hewlett Foundation invested in the start-up and operating costs of the NII intermediary organization itself.

understandably fragile in this early stage of development, has the promise of being critically important to West Oakland's future as it seeks to support the organizational development of its nonprofit community.

Exhibit 3-D.
Hewlett and TSFF Fund Allocation to NII Grantees by Program Area 1998-2003



2.3.3 Investment in Technical Assistance

Considerable funds were invested into technical assistance for the intermediary, a sum that exceeded $600,000. The combined resistance of the intermediary and the uneven quality of assistance resulted in limited progress.

A total of $622,524 was directed for technical assistance. The lion's share of the cost for technical assistance went to the University of California at Berkeley's Institute for Urban and Regional Development, a total of $511,520 or 82%. Remaining technical assistance funds went primarily to NEDLC ($65,220), followed by smaller sums to the National Community Development Institute and miscellaneous other helpers. The sum of money for IURD was considerable, with a large percentage consumed in the indirect overhead costs that is characteristic of such arrangements with universities.

Aspects of the technical assistance regarding organizational development have already been covered earlier in this report. This section summarizes the work of the University of California at Berkeley, its research arm IURD, and a community development studio class. The Hewlett Foundation, seeking a way to improve the delivery of technical assistance, encouraged the alliance with the university. It was Hewlett's hope that the university could bring to bear its considerable capacities, reaching from urban

development to law to architecture. The university's relationship with West Oakland has been an uneasy one, and the hope was that this opportunity would seed a new a relationship.

The arrangement with the university took two forms, the assistance of a professor and his graduate students in city and regional planning, and the work of IURD. Past TEAMWORKS reports have explained that the relationship between the 7th Street McClymonds Corridor NII board and staff (and work groups, too) and the two groups from the university was fluid, moving from testy to welcoming, back to testy, and so forth.

Community Development Studio Course

The studio course in community development undertook several tasks, including 1) providing information gathering and support during the planning stage, 2) analyzing the program areas of the plan to develop priorities for implementation, and 3) explaining the labyrinthine world of redevelopment. Their impact on the initiative for the first two tasks was limited, but not for the lack of trying. Students in the initial studio class produced background information about prior planning efforts in West Oakland to address the common concern heard from residents that they did not want to waste time doing what had been done in the past. The second class attempted to help the initiative undertake the critically needed task of deciding where to focus energies. They produced a handsome detailed document with a decision matrix and presented it to the board. The document went unheeded, because members had other priorities that manifested in their resisting efforts to focus them.

Finally, and making a solid contribution to the initiative was the studio class's assistance demystifying the redevelopment process. A planning graduate student who was already an attorney helped draft the language that was adopted by the city council for the formation of the city's Redevelopment Agency's Project Area Committee. This body is empowered to provide advice to the agency regarding the significant development plans including transit, commercial, and housing in West Oakland. The initiative office became a center for distributing information to local community-based organizations about redevelopment. Members of the 7th Street McClymonds board were elected and continue to serve on the committee.

Institute for Urban and Regional Development

IURD worked with the initiative for most of its three years of implementation on a variety of tasks, including developing a baseline; providing research into areas of interest of work groups and board members, such as brownfields; providing access and training on Geographic Information Systems (GIS) mapping; and updating census data.

IURD staff had a difficult time gaining traction with the initiative, partly a function of lack of clarity in their assignment and occasional resistance from initiative participants. We have written previously about IURD being given an assignment to develop a grant tracking system, a task for which they were ill fitted. Grantees had almost no capacity to generate data, and IURD was not set up to develop a massive database to track outputs.

Moreover, by default IURD was placed in the awkward position of evaluating the progress grantees were making. Another task for which there proved to be a poor fit was to create a resource development plan. These tasks are suited to TSFF and consultant providers that specialize in these tasks.

One of IURD's major tasks was to develop a baseline of the target area, a requirement of the Hewlett model. IURD drew upon the experience of another Hewlett site to guide its work. It produced indicators, did extensive secondary research into various data sets (e.g., census, voting records, mortgage data), oversaw resident-based surveying, and generated detailed Geographic Information System (GIS) maps. IURD also did studies of gentrification, and an analysis of how services are delivered for seniors and youth. In 2001 IURD produced "West Oakland Snapshots," for the community baseline. It contains useful data, though there is minimal evidence that it was ever used as a source by the 7th Street McClymonds Corridor NII. To make data more friendly and accessible, IURD placed GIS capacity at the initiative offices and provided training, but again little interest was shown by board members or staff.

Overall, the outcomes of the relationship with the university were mixed. Earlier reports explain that fundamental structural issues, including the limited time students were available and the duration of their studio experience, inhibited the development of trust. To some degree, it exacerbated the community's feelings of being overly researched. And, despite IURD's many tries, it could not find a way to effectively transfer its knowledge into initiative learning. Finally, there are reported continuing contacts between now former students and participants in the initiative, particularly in the area of redevelopment. The faculty member overseeing the studio class is writing a book about West Oakland (and Fruitvale).

2.3.4 NII Impacts TSFF Organizationally

TSFF has been significantly affected by its participation in the NII. West Oakland is now a stated institutional priority, with an over 400% leap in grantmaking to West Oakland organizations. TSFF's involvement in the NII is also affecting internal organizational practice through the application of NII training on indicators.

One of the explicit goals of the NII was to build the capacity of the community foundation managing partner to work more effectively in neighborhood revitalization. Historically community foundations make grants in their target areas, but are not involved in hands-on work with community-based organizations, neighborhood groups, and local leaders. Hewlett's intention with the NII was to create a deeper relationship between the local community foundation and the target area of its initiative.

In addition to its increasing financial commitment, TSFF has been positively changed by its work with the NII in a number of important ways: (1) it has created a strategy for higher coordination among its staff and investments in West Oakland; (2) it has agreed to fulfill its role in Hewlett's financial pledge to the area; (3) it has demonstrated ongoing

support for worthy projects that once received support from the initiative, but were excluded when the initiative narrowed its focus; and (4) it has developed an indicators' task force to develop indicators to assist TSFF for planning purposes in relation to implementing its own strategic plan over the next ten years.

Financial Commitment

Funds awarded by TSFF to NII organizations during year one of implementation were $115,000; year two, $262,500; and, year three, during a period of declining foundation assets, $225,727. In addition to the funds TSFF awarded to NII grantees, it also awarded another $1,237,980 to other organizations in West Oakland during the entire period of the NII (including the 1998-2000 planning and implementation periods prior to the first round of grantmaking). This brings the total TSFF monies granted to community-based organizations in West Oakland during the 1998-2003 period to an impressive $1,906,207.

During the five grant years preceding the NII, TSFF awarded a total of $465,000 grants in West Oakland organizations. The increase to $1.9 million over the last five year period since the inception of the NII represents an enormous leap of over 400% in TSFF grantmaking.[45]

Higher Coordination

Internally, TSFF's chief operating officer in 2003 directed the West Oakland initiative coordinator to create a work plan that would more purposefully integrate TSFF's work in West Oakland. The plan includes an extensive set of goals and deliverable work products linked to each of TSFF's seven program areas. That plan is already being implemented.

For example, during the last stages of the NII, a work group established a priority for a health facility at McClymonds High School. TSFF linked this initiative directed goal to its community health program area. TSFF's plan includes three goals for this area, the first of which is to "facilitate resource development opportunities, internally and externally, in support of the McClymonds School-Based Health Center project, and other West Oakland community health programs jointly identified by the Initiative and Community Health program staff." The work product is to "serve as conduit between the Foundation's Initiative staff and other funders, with a targeted goal of raising $350,000 in core operating support (FY 2003-04) for the McClymonds SBHC project." To date $204,000 has been raised from the city, county, and from TSFF's own donor advised funds. Other goals include identifying opportunities to implement additional aspects of the 7th Street McClymonds Corridor NII Plan, assisting with grant proposals, providing technical assistance, stewarding collaboratives, and coordinating staff internally.

TSFF Community Indicators Task Force

The Hewlett Foundation's significant investment in training, workshops and support in outcomes-based evaluation for its three sites has built the capacity of the TSFF's initiative staff to do this work, and to apply it within. The initiative coordinator has now been asked to lead an indicators task force at TSFF. The objective of this task force is to

[45] The specific time periods are pre-NII, 12/1/92 – 4/30/98 and for the NII, 5/1/98 to 12/1/03.

develop a set of indicators to track the health and sustainability of the Bay Area over the lifetime of TSFF's ten-year strategic plan. The purpose is to provide TSFF with a set of community-wide indicators for informing a policy agenda and building a learning system that will guide its actions in building strong communities and fostering civic leadership.

In addition TSFF is now applying the learnings on outcomes-based evaluation from the 7th Street McClymonds Corridor NII to its new Regional Equitable Development Initiative in Richmond, California, a partnership with the Ford Foundation. TSFF's information technology and grants management technology are also benefiting from the web-based evaluation model pioneered with Hewlett's support for the NII.

Ongoing Commitment

Finally, despite the closing of the intermediary, the TSFF has remained committed to working with the Hewlett Foundation so that Hewlett may fulfill its financial pledge to West Oakland. Rather than continue within the NII model, Hewlett and TSFF are looking to focus on raising student achievement levels at McClymonds High School. At the time of this report's writing, the Hewlett Foundation has agreed to support a six-month planning process over the course of the remaining 2003-04 school year to establish the implementation framework for transforming the existing school-based health center to an integrated Student Services/Family Resource Center serving the students of West Oakland's McClymonds High School.

3

LESSONS

3 Key Lessons for the Field

This section addresses the question: *What lessons can be drawn from the 7th Street McClymonds Corridor NII that will benefit the field?*

Hewlett's NII in West Oakland was an ambitious effort in a complex area with a history of tense dynamics. Drawing useful lessons is a challenge because the work takes place in frequently charged and changing environments, and it has incredible subtleties. In addition, one truth cannot be found when so much of the experience is filtered through the stakeholders' different perspectives.

Over the past several years TEAMWORKS has included in its reports a section that details lessons based upon the experience of this site, and of the other two Hewlett NII sites. These lessons also draw upon national experience in the field of comprehensive community initiatives. Some of the more salient ones identified in prior reports are the need for

1. providing sufficient time to make smoother the transition from planning to implementation;
2. having technically qualified planners who are present from the beginning to assist with the development of the plan;
3. being clearer about what is expected from residents (and clarifying the misinterpretations of the intention of resident involvement);
4. providing more clarity regarding the niche, role, and functions of a neighborhood-based intermediary organization;
5. making available high quality technical assistance that is tailored for the unique set of needs associated with comprehensive community initiatives;
6. recognizing the complexities involved in building a new organization's capacity, especially one that is assuming a new concept such as a neighborhood-based intermediary; and
7. planning for sustainability from the outset of an initiative.

In this closing report, we focus on one overarching lesson. We argue that the West Oakland experience teaches that a model that requires consensus styled decision-making to succeed cannot take root in ground hostile to consensus building. Our view is informed

by knowledge of philanthropic comprehensive community initiatives from their inception, observing the West Oakland NII and Hewlett's other two sites since their first days, and extensive experience in neighborhood-based development.

The Final Lesson:

Consensus Building Requires Transparency

The NII strategy in West Oakland was notably comprehensive and detailed. It recognized that resources could leverage other investment, and put forth sizable money to catalyze additional support. It included a community foundation as a partner, believing that there was the capacity to serve as a neutral broker, allocate technical assistance resources, and to attract other investors. For further leverage, there was a design for an advisory committee composed of area powerbrokers. The seven-year pledge of support, unusual for the Hewlett Foundation's grantmaking, recognized that the process of change would take years. The NII also provided considerable resources for technical assistance, in such critical areas as organizational development and applied research. We have reported that aspects of the strategy were uneven in execution. But these were more symptoms than the cause. The failure of the NII to gain traction was an outgrowth of a misalignment between a politicized, protest style of leadership, and the requirements and underlying value system of the NII.

In the following text, we are speaking about the style of leadership that became dominant in the initiative, and was particularly symbolized in the operations of the 7th Street McClymonds Corridor board. The discussion begins by recapping the historical context that shaped this style, and then examines its manifestations in the beliefs, language, and decision making processes of the NII. It concludes with learnings for philanthropy.

The Context: Mistrust of Outsiders

In venturing into West Oakland, Hewlett knew that there was a strong strain of mistrust of outsiders, especially those making promises of neighborhood improvement. West Oakland has deep scars. It was once a vibrant economic and cultural center for African Americans. The construction of the Cypress Freeway in the l950s, designed to link the area to its industrial waterfront and to downtown San Francisco, instead split the community in half, cut off its access to other areas, and uprooted 600 families and dozens of businesses.[46] Isolated and left in the shadows of rail yards and metal working factories, neighborhood businesses collapsed and residents were forced to live under a thick cloud of pollutants. Oakland's leadership compounded the problem by largely turning its back on the area.[47]

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[46] "The Cypress Freeway Replacement Project," a publication of the Federal Highway Administration. See www.fhwa.dot.gov/env/ejustice/cas/case5.htm. Freeway construction fractured similar neighborhoods throughout the nation, with their tragic impacts becoming obvious to federal policymakers in the 1960s.

[47] *Power Structure and Urban Policy: Who Rules in Oakland?* Edward C. Hayes (NY: McGraw-Hill, 1972).

Unemployment soared as did crime in West Oakland. By the l960s the new cry for "Black Power" became a magnet for frustrated and angry residents. The federal government awarded millions of dollars in funding to Oakland, starting with a $23 million Economic Development Administration jobs program and followed by Model Cities. And, in what proved to be one of the federal government's cataclysmic errors, it financed Acorn Housing Project, nearly 700 units of public housing that became emblematic in its scale, isolation, and shoddy construction, of everything that should not be done to foster neighborhood improvement.

West Oakland's downward spiral continued unabated. This unhappy history nurtured a shared set of beliefs that government and others who promised change could not be trusted. Over time assumptions hardened within West Oakland. Outsiders grew increasingly tentative about investing in the area. With massive new monies, including the renovation of Acorn Housing Project and the redevelopment following on the collapse of the Cypress Freeway, the hope for betterment was lit anew. Yet, an historic mistrust of outsiders, and the politicized, protest style of leadership it engendered, made it difficult, and ultimately impossible for Hewlett's NII to survive.

Beliefs and Language

Many grassroots leaders led a constant refrain about ensuring that the NII was resident driven, with the underlying but clear implication that TSFF and the Hewlett Foundation could not be trusted. Both Hewlett and TSFF were pushed in the first months of the NII by West Oakland's local leaders to respond to community wishes. Hewlett altered the NII's boundaries; TSFF reopened its search for its initiative coordinator. In addition the foundations agreed to numerous extensions to enable the resident leadership of the initiative to learn and implement what the initiative required. The foundations' goodwill did little, however, to diminish the belief that Hewlett and TSFF were not committed to resident involvement.

Language was another point of ongoing conflict. The style of the 7th Street McClymonds Corridor NII's initial board was combative. We have explained that board meetings were used as a pulpit for a few members. There was speech-making, occasional stridency, and even threats. Some board members drifted away, worn down by the meeting dynamics. Other local leaders reported that they did not participate in the initiative's work because of the combative and politicking style, in effect acceding the initiative to this style of leadership. A raft of technical assistance providers made only modest progress in changing the tone and effectiveness of meetings, and did not change the dominant style of leadership.

Language also took form in positioning that was hard to read by outsiders. For example, UCB staff and students labored side-by-side with residents working on surveys and other efforts to shed light on the area's needs. West Oaklanders who had participated in the planning and preparing of presentations with the university's representatives then did an about-face, publicly castigating them when the presentations were made. Outside the meetings the activists would pursue their work with the university as if nothing had transpired.

The local leaders did not want to be seen siding with the university, the city, or other outsiders (and occasionally others within the community, too) because it risked being perceived as cooperating with longstanding enemies. The university's representatives' focus was on content, not process. The challenges, their unpredictability and occasional hostility, sorely tested the university's willingness to persist. But, if it did not, this would fulfill the assumption that the university was really not there to help. In a way, residents' behavior could be seen as a form of hazing, perhaps leading to trust, but it was a foreign language and debilitating ritual for the university's staff and students. Some good work and even relationships did evolve, but the costs were steep.

Clashing Styles

Many of the more vocal NII participants used a style of organizing based on protest and confrontation. Experienced grassroots politicians, they mobilized their forces to win seats on the 7th Street McClymonds Corridor board. The argumentative style was divisive. Also, words and action did not align, creating a lack of transparency. While there were calls for collaboration, actions such as failures to welcome youth input or that of Latinos, undermined participation and drove people away.

In contrast to this confrontational style of organizing, consensus organizing fosters alliances, looks to build power by sharing, and rejects "conflict and confrontation tactics as destructive in communities that need to be building connections and bridges."[48] Consensus advocates see partnership building as a means for leveraging resources and creating lasting change. Central to the success of the NII would be creating a viable intermediary organization that worked collaboratively within and outside the community.

Both Hewlett and TSFF hoped that the change in the board's leadership and the imminent hiring of a new executive director would place the initiative on a consensus-oriented path. The new leaders' backgrounds were different than the earlier board, markedly so in their having more formal education. They faced two sets of pressure, one to address Hewlett's new guidelines for results-based accountability; the other was recruiting a new executive director.

A dispute arose about whether or not an agreement had been made regarding whether or not the foundations had a say in the selection of the executive director. This was one more battle in the ongoing tug of war between the resident-based board and the foundations over who was running the NII. The foundations had sought, and stakeholders had agreed to them having, one vote each on the search committee in part because of the weakness of the first hire for the executive director, a process that had been run entirely by the NII board of directors with technical assistance from NEDLC. The breach came when it became known that the names of final candidates had been revealed, and that behind-the-scenes politicking was occurring to influence the final decision. On the surface the 7th Street McClymonds operations seemed smoother. But underneath, there were the same behaviors that had undermined the initiative in the past.

[48] *Reflections on Community Organizing and Resident Engagement in the Rebuilding Communities Initiative*, by Bill Traynor (Annie E. Casey Foundation: Baltimore, MD), 2002, pp 17.

There were some seeds of collaboration within the NII. For example, 7th Street McClymonds Corridor NII's work with the Commission on Aging contributed to the creation of the senior shuttle that we described earlier. Another is the initiative's work leading a community-driven process for the Pacific Institute that produced a set of indicators for tracking the condition of West Oakland's environment.[49] The 7th Street McClymonds Corridor office provided badly needed space for community meetings. When the intermediary's doors were closed, the initiative was in its third year of implementation. In reality, with extensions the implementation period alone had actually been extended to over four years. The politicized, protest style of leadership took its toll, pushing partners away rather than drawing them to the initiative.

Finally, a more subtle but very significant misalignment was between Hewlett's call for leveraging money and the traditional grantmaking that characterized the initiative. One of the goals of the NII was to promote a different investing style. TSFF sought to encourage resident involvement in making decisions about resource allocation. In large part, the money was treated as a pie to be cut up. The staff and board leadership of the initiative did not understand, and were not receptive to learning, how to use the initiative's program monies to leverage larger projects and resources into the community. As we noted earlier in the report, they were more interested in using the monies to support already existing organizations, principally their own. There were a few cases of using Hewlett's investment to catalyze other support, such as the Regional Technical Training Center, but they were relatively a small portion of the grantmaking, and they came late in the process.

Why this was the case is speculative. There is a view, articulated in the course of the initiative, that West Oakland expects a form of reparation, to pay for the damage done in its past. To some degree, the federal initiatives of the l960s nurtured this view. Rather than replacing money, however, Hewlett understood its funds to be additive. In addition, TSFF is a grantmaking institution that has little experience with the type of leveraging of large scale public and private monies required for urban renewal projects. While its many years of work sponsored by its Koshland Civic Unity Program and involvement in the Pew Charitable Trust Neighborhood Initiative Program deepened TSFF's knowledge of community development in low income neighborhoods, neither required that it leverage in the manner expected by Hewlett's NII design.

The Learning for Philanthropy

In a nation that values localism and participation, it is natural to want to believe that the appeal of community collaboration would be overpowering. Yet, the reality of democracy is that it is messy, fragmented, and open to interest-group organizing. West Oakland was known to be a highly politicized environment. The decision to increase the size and diversity of the neighborhoods from two to eight made the area even more unwieldy. West Oakland is increasingly heterogeneous. It is now a landing place for

[49] A comprehensive report was produced, entitled *"Neighborhood Knowledge for Change: The West Oakland Environmental Indicators Project"* (Pacific Institute in cooperation with the 7th Street McClymonds Corridor NII), January 2002.

Latino and Southeast Asian immigrants. The African American community is also diverse, with multiple power bases and strongly differing styles and beliefs. The area has a sizable population of single elders who live in fear of youth that use the streets for drug activity and crime. It is challenging in more stable and homogeneous settings for collaboration to take place. It would logically be exponentially more so in a place with West Oakland's characteristics.

The NII experience in West Oakland teaches that a model that requires consensus styled decision-making to succeed cannot take root in ground hostile to consensus building, with a leadership unwilling to be transparent and to build trust. Thus faced with knowing there is going to be resistance to change, what can be done? What can change mistrust and a focus on misdeeds of the past to trust in and commitment to the future? What could have been done to surface and support local leaders with a different style of leadership, one more open to consensus building and collaboration? Perhaps Hewlett should have stuck with the smaller footprint of the initial two neighborhoods, and/or selected a local organization to serve as the lead agency, which may have reduced some of the difficulties. But if past history is a guide the original neighborhoods would have been a microcosm what has been described here. Perhaps an approach different from the open democratic call to participation, one designed to target local leadership with a style more compatible with the underlying values of the NII, would have led to a different outcome.

Closing Comments

In summary, when foundations seek to transform communities, as in the case of the Hewlett Foundation's NII, the style of the empowered, local leadership must be appreciated. It can ease, stall, or wholly prevent change from occurring. We have pointed out that Hewlett commissioned both demographic and organizational capacity studies, and convened an expert panel to fine tune understandings before proceeding with the NII. And, a pilot was done before entering West Oakland.[50] Though knowing there would be resistance, Hewlett believed that the shift in the larger political and economic climate, combined with the NII's strategies, would change attitudes. While there was some forward motion, the style of leadership that dominated the initiative staunchly adhered to politicized practices that were ultimately incompatible with the NII.

In addition to the thorough analysis done by Hewlett, what else could have made the effort in West Oakland, a community that had endured both trauma and neglect, less fraught with the type of challenge it encountered? Hewlett turned to TSFF, a community foundation with a long history of grantmaking in West Oakland, an established community development program area, and experienced staff, thinking it would provide the knowledge and capacity to implement the initiative.[51] TSFF shared the NII's values, especially its emphasis on resident input as a means for transforming the community. But TSFF, like its counterpart community foundations through the nation, had little

[50] The pilot was more consistent with Hewlett's original criteria than was the target area in West Oakland. Also within the West Oakland target area the high number of households, steep poverty mixed within relatively higher income areas, and rapidly changing racial/ethnic mix made for additional challenges

[51] Findings were based on a survey the Hewlett Foundation commissioned from Walker & Associates, 1996.

experience to draw upon for an effort of this complexity.[52] Its own deep trust in the principle of resident involvement, based on a particular kind of democratic practice, put it into compromising situations, having to ask for extensions in the hope that more training would produce the changes that both Hewlett and it sought.

Comprehensive community initiatives are designed to be launched in environments like West Oakland. Throughout the nation these initiatives have faced similar problems. The planning processes take far longer than expected. The battles among competing constituencies, racially-based confrontations, and the resistance to working with potential partners, slow down the ability to mount projects. Once projects are launched the sites and their evaluators have struggled to capture outcomes. Foundations committed to these initiatives have recalibrated expectations, and modified strategies.[53] Our point here is to suggest that funders need to deepen their understandings of the environments into which they are entering, including the dominant leadership style, and its beliefs, language, and decision making processes, before beginning their work. This in many ways is hidden, below the surface, and takes time and special skill sets to truly identify. Then specific strategies need to be crafted that are tailored to that environment.

In closing, numerous residents gave hundreds of hours of their time, and both the Hewlett Foundation and TSFF made considerable effort to advance West Oakland. There was progress and the initiative participants can claim real accomplishments in enhancing the mobility of the elderly, in seeding the potential for more coordinated workforce development, in helping to create a more collaborative environment for some of West Oakland's community-based organizations, and for supporting the creation of the first financial institution in the community. There are those who argue that the intermediary, the 7th Street McClymonds Corridor NII, should have been given more time. For the foundations, the misalignment and friction costs were too high. The Hewlett Foundation, however, has not turned its back on West Oakland. With TSFF in the lead, plans are underway to make an investment that is more sharply focused on McClymonds High School to increase the likelihood of the area's youth succeeding in school. As pointed out above, the project at McClymonds High School shows real promise to become a hub for providing health and related services and a stepping stone to improving student outcomes.

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[52] The Ford Foundation's Neighborhood and Family Initiative, a 10 year comprehensive community initiative that worked through community foundations, concluded that these foundations "found the requirements more trouble than the NFI was worth." The resident-based collaboratives that had been created were spun off by a desire to relate to the to the community foundations in the "normal way, as grantmakers to grantees."

[53] In l999 the Annie E. Casey Foundation launched "Making Connections" in a set of "tough and isolated neighborhoods." Rather than starting with major public announcements of significant support, it chose a "soft launch." For its first three years, the foundation will find, encourage, support, and reinforce collaborative resident engagement. The goal is to build a culture receptive to change. This phase will be followed by identifying activities and projects to be carried out over the next 7 years.

APPENDIX "A"

DETAILED TIMELINE

WEST OAKLAND INITIATIVE- Historical Timeline of Key Actions, Convenings, and Milestones