



PEOPLE



PLACE

AND



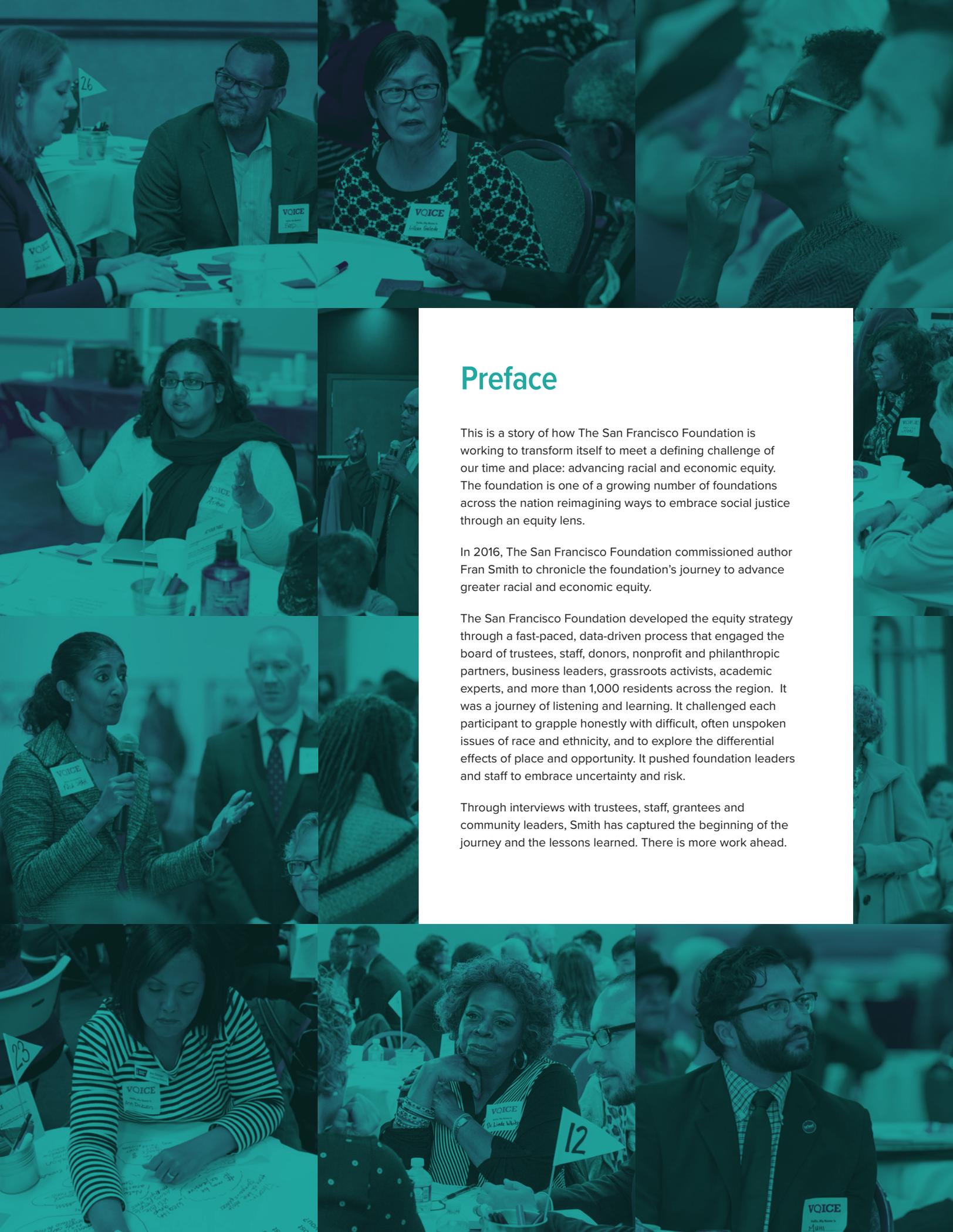
POWER

Advancing Racial and Economic Equity

THE
SAN
FRANCISCO
FOUNDATION

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Preface

This is a story of how The San Francisco Foundation is working to transform itself to meet a defining challenge of our time and place: advancing racial and economic equity. The foundation is one of a growing number of foundations across the nation reimagining ways to embrace social justice through an equity lens.

In 2016, The San Francisco Foundation commissioned author Fran Smith to chronicle the foundation's journey to advance greater racial and economic equity.

The San Francisco Foundation developed the equity strategy through a fast-paced, data-driven process that engaged the board of trustees, staff, donors, nonprofit and philanthropic partners, business leaders, grassroots activists, academic experts, and more than 1,000 residents across the region. It was a journey of listening and learning. It challenged each participant to grapple honestly with difficult, often unspoken issues of race and ethnicity, and to explore the differential effects of place and opportunity. It pushed foundation leaders and staff to embrace uncertainty and risk.

Through interviews with trustees, staff, grantees and community leaders, Smith has captured the beginning of the journey and the lessons learned. There is more work ahead.

Introduction: The Rising Tide is Not Lifting All Boats

“We need to make sure that everybody has the chance to be a part of the prosperity in the Bay Area region. This is not just a moral imperative, but it’s also an economic necessity. Our region cannot afford to continue to leave so many behind if we hope to achieve sustainable growth and prosperity.”

Fred Blackwell, CEO, The San Francisco Foundation

Inequality has reached historic levels nationwide¹, and nowhere is the gulf between the rich and everyone else wider than in the Bay Area. The economy is thriving, fueled by innovation, but growth has left many people and whole communities behind. The middle class is shrinking. Wages for the lowest-paid workers are declining. All communities of color have higher rates of poverty and unemployment than Whites.² And as housing costs skyrocket, more than 300,000 households are in danger of displacement pressures.³ These trends endanger families, decimate communities of color, and threaten the Bay Area’s celebrated diversity and its economic future.

In working with its grantees, partners, and donors, The San Francisco Foundation is reimagining the potential for a community foundation to reverse the trajectory of inequality and build a more equitable, inclusive region. In the foundation’s view, equity is not only a matter of justice. It is also an economic necessity in a nation where the majority will be people of color by 2043, and in the Bay Area, where they already represent 58 percent of the population — a number expected to climb to 69 percent over the next 25 years.⁴ The foundation’s new equity agenda is both a pledge and a roadmap to create a region where all can contribute to economic growth and cultural vitality, and all can share the

benefits. The foundation is fully leveraging its resources, its civic leadership, and its partnerships across sectors to realize a vision of equity. The foundation centered its early discussions about equity around the definition formed by the research institute Policy Link: Equity is fair and just inclusion into a society in which all can participate, prosper, and reach their full potential.

The San Francisco Foundation was founded in 1948 and serves a region of 4.4 million people⁵ across five counties — Alameda, Contra Costa, Marin, San Francisco, and San Mateo. It has deep roots in social justice and a proud history as an incubator for neighborhood investment and community leadership. It is a place where civic, grassroots, business, and government leaders often coalesce around important issues affecting community wellbeing and quality of life. The equity strategy capitalizes on the foundation’s position as a leader and convener in addition to funder. For these reasons, Fred Blackwell, the foundation’s CEO, describes the strategy as “less of a pivot and more of a doubling down on who we are as an institution.”

Nevertheless, a unified strategy guided by a vision of racial and economic equity demanded a new way of doing business at one of the nation’s largest community foundations. The leadership recognized that reprioritizing grantmaking alone was not

enough. The foundation had to step up as a civic leader and a voice for change. It had to enlist support from every sector — and from its own donors — to alter regional dynamics so that low-income communities and communities of color have greater inclusion and influence in politics and policy. Recognizing that problems and solutions don’t come as isolated issues, the foundation dismantled its conventional structure, a common one among foundations, of organizing programmatic work along lines of distinct, semi-autonomous areas such as health, education, the arts, and the environment. The foundation identified three interconnected, mutually reinforcing pathways:

PEOPLE: Expanding access to opportunity by tackling inequities in the criminal justice, education, and immigration systems and by investing in training, skill building, and jobs for people facing the greatest barriers to employment.

PLACE: Anchoring communities, preventing the displacement of low-income people and communities of color, and ensuring that diverse neighborhoods are places where all residents can live, work, and thrive.

POWER: Nurturing equity movements to build power that can demand investments in people and place and ensure a political voice for all.

1 <https://eml.berkeley.edu/~saez/saez-UStopincomes-2012.pdf>

2 http://www.policylink.org/sites/default/files/documents/bay-area-profile/BayAreaProfile_21April2015_Final.pdf

3 Data from presentation assessing neighborhood at danger of gentrification and residential displacement provided to TSFF by UCB Center for Social Innovation

4 http://www.policylink.org/sites/default/files/documents/bay-area-profile/BayAreaProfile_21April2015_Final.pdf

5 <http://www.bayareacensus.ca.gov/counties/SanMateoCounty.htm>

Major Milestones in the Equity Agenda Development Process

JUNE 2014

Fred Blackwell joins The San Francisco Foundation as CEO and begins talking about equity as a north star ▶

more: [read blog post "A Bold Vision for the Bay Area"](#)

DECEMBER 10, 2014

VOICE Sessions begin – West Contra Costa ▶

more: [read blog post "Reflection After Voice: West Contra Costa"](#)

JANUARY – JUNE 2015

Consultative Sessions begin ▶

FEBRUARY / MARCH 2015

Equity Strategy team formed ▶

SPRING 2015

Equity Framework developed ▶

JUNE 2015

Outside consulting firm hired to facilitate process ▶

AUGUST 2015

Internal diagnostic begins ▶

SEPTEMBER 25 – 26, 2015

Bay Area Bold ▶

more: [visit bayareabold.org](http://bayareabold.org)

NOVEMBER 2015

Theory of Change finalized ▶

JANUARY – MAY 2015

Donor Sessions Begin ▶

MARCH 2016

Board Retreat – People, Place and Power framework and Illustrative examples presented ▶

JUNE 16, 2016

Announcement of New Equity Agenda ▶

more: [read blog post “A Bold Vision for the Bay Area”](#)

JUNE 23, 2016

Bay Area-wide poll results shared ▶

more: [read press release “Bay Area Residents Issue Clear Call for Greater Prosperity and Opportunity for All”](#)

JULY 12, 2016

People, Place, Power series launches ▶

more: [read “Announcing the People, Place and Power Series at the Commonwealth Club”](#)

NOVEMBER 2016

New Program Guidelines ▶

NOVEMBER 17, 2016

Rapid Response Fund for Movement Building launched ▶

more: [visit program page for “Rapid Response Fund for Movement Building”](#)

JANUARY 2017

Open Cycle for Equity Grants Program begins ▶

more: [visit grantmaking page for “2017 Equity Grants Program”](#)

JULY 2017

Equity grants announced ▶

more: [read press release “The San Francisco Foundation Awards \\$11.5 Million in Equity Grants”](#)

The Language of Equity and the Wisdom of the Community

“I appreciated how much the foundation incorporated its community partners, its grantees, and a broader swath of the region in the process.”

Miya Yoshitani, executive director, Asian Pacific Environmental Network

In 2014, Fred Blackwell was appointed the fifth CEO of The San Francisco Foundation. Part of his role was to build on the foundation’s legacy and reimagine how it could advance greater inclusion and equity. Blackwell, an Oakland native who previously held leadership positions in municipal government, is nationally recognized as a determined force for systems and policy changes that foster inclusion and shared prosperity. When he arrived at the foundation, he began talking about equity as the organization’s North Star. But even he did not foresee the depth and sweep of the changes the foundation would need to make to follow that star.

“Coming here was a tremendous opportunity to focus on equity and racial and economic inclusion without also having to focus on all the other things that come through your door when you’re working in local government,” Blackwell said. “I was

excited about the opportunity to do some quality thinking, finely hone an agenda around equity, and take action. But I did not come with an idea of what that would look like. The process was one of discovery.”

Discovery was rooted in fundamental equity principles of community engagement and explicit attention to race and place. Early in his tenure, Blackwell visited elected and appointed officials throughout the region to hear their thoughts on the most significant barriers to opportunity in their cities.

He also organized monthly half-day meetings to steep the entire staff in the values and principles of equity and how they build upon, and diverge from, the foundation’s roots in social justice. At one of the first sessions the staff watched the documentary “Inequality for All,” featuring economist Robert Reich. The film is a searing examination of widening income inequality and its damaging effect on

America’s economy and democracy, and it kickstarted a conversation about the distinction between equality and equity. Equality suggests the need for programs and investments that serve everyone in the same way — one size fits all. Equity is a more nuanced approach. It aims to dismantle racial, ethnic, gender, and other systemic barriers to economic, political, and social participation. Equity targets strategies to the needs of marginalized populations, as they themselves identify those needs, with the goal of building a stronger, more inclusive, more prosperous society for all.

“Part of this journey has been about clarifying language and concepts,” Blackwell said. A big part of that was getting people comfortable talking forthrightly about race. Several staff members noted that for all its power, the film largely overlooks the racial dimensions of inequality. The following half-day session focused on race as the

central fissure in society, a key factor in inequality and intergenerational poverty, and a necessary focal point of an effective agenda to expand economic opportunity, especially in a region where people of color are the majority.

As Blackwell began to think about a new agenda for the foundation, he wanted to tap the wisdom and experience of people from all walks of life. The foundation organized VOICE: Bay Area sessions, a series of large public meetings in seven, diverse low-income communities across the region; and “consultative” sessions, half-day meetings with invited community leaders, key grantees, donors, philanthropic partners, and scholars.

The foundation had held community meetings in the past but nothing as extensive as the VOICE: Bay Area sessions. Each of the seven sessions drew 100 to 150 people. Blackwell briefly described the foundation’s interest in working more intentionally to expand opportunity. Then he and his team listened. What keeps a mother in Richmond awake at night? What are her hopes for the future of her family and her community? How do soaring rents affect residents and small-business owners in downtown Oakland? What community assets can be leveraged to help stabilize neighborhoods in San Francisco or Fremont?

Each community described distinct challenges, strengths, and opportunities.

But everywhere, people spoke of the dual crises of jobs and housing affordability. And everywhere, issues of race bubbled to the surface. “Once people got warmed up, and it was usually near the end of the meeting, people started bringing up race and how it was impacting their community,” Blackwell recalled.

After the VOICE: Bay Area sessions ended, a foundation consultant summarized the needs expressed:

- *Increase access to career paths and associated jobs*
- *Transform distressed neighborhoods into healthy, safe, culturally vibrant communities with access to transportation infrastructure, where children and families have opportunities to flourish*
- *Address displacement and increase access to affordable housing*
- *Improve civic engagement and leadership development*
- *Improve education outcomes*
- *Address health disparities and related environmental conditions*
- *Support vibrant communities of arts and culture*

The more intimate consultative sessions focused on how the foundation could be a potent force for equity in the region. Blackwell saw the meetings as opportunities

to receive input from trusted partners and foster a sense of common purpose in advancing an equity agenda. Each session gathered about 20 people to discuss what was then a foundation program area: community development, community health, education, environment, arts and culture, and leadership development. At an informal dinner, Blackwell encouraged people to say whatever they needed to get off their minds — about race, inequality, or the foundation itself — so they could be present and open for a frank conversation the following day. When they reconvened in the morning, participants offered guidance on the foundation’s future. How could it maximize its resources and influence? How should it approach advocacy, policy, and systems change at the regional level or higher?

The VOICE: Bay Area sessions and the consultative meetings placed the foundation staff in the unaccustomed position of seeking guidance from the community. “We were acknowledging that we don’t have all the answers and solutions,” recalled Carlos Garcia, the foundation’s senior philanthropic advisor. “It was a bit of a vulnerable place.”

Although that was initially uncomfortable for some, it proved to be validating. “Everything we heard affirmed that we were headed in the right direction,” Blackwell said.

A Challenge to Think Outside the Box

“It’s nice to have a grantmaking program organized by interest areas such as housing, the arts, education, etc., but at the end of the day you have to decide what it’s all rolling up to, what you are trying to achieve.”

*Ruben Orduña, vice president of development and donor services,
The San Francisco Foundation*

In the first quarter of every year, The San Francisco Foundation board of trustees holds a retreat to review the organization’s progress and priorities. The foundation’s leadership team devoted the 2015 retreat to sharing what they were learning about inequity from residents at the VOICE: Bay Area sessions and from data.

Josh Kirschenbaum, chief operating officer of Oakland-based PolicyLink, presented an equity profile of the Bay Area, commissioned by the foundation. Using data disaggregated by race, ethnicity, and country of origin, the profile examines demographic change and regional performance on key equity indicators such as employment, wages, and educational attainment. “You can have the vision, the aspiration, but if you don’t have the data, you can’t move the work,” Kirschenbaum said.

The profile reveals that people of color are driving rapid population growth in the Bay Area — the second-most diverse metropolitan region in the country. They also are disproportionately poor, unemployed, and burdened by housing and transportation costs that swallow up to two-thirds of

their income. While education is critical, it does not level the field. Among college graduates, wages are lower for Latinos, Blacks, and Asians than for Whites.

The profile adds to the growing body of literature demonstrating that racial and economic inequities do not hurt only those who are left behind; everybody loses because inequality suppresses economic growth. PolicyLink, whose founder and CEO is Angela Glover Blackwell, Fred Blackwell’s mother, calculated that the Bay Area economy could have been \$117 billion stronger in 2012 if the region had eliminated disparities in employment and income.

The trustees also heard presentations from the foundation’s program officers and initiative leaders, who described how their programming might change if they applied the lens of equity. Much of the staff thought that incorporating equity into the foundation’s work would require little more than tweaking the foundation’s longstanding commitment and activities around social justice.

The board saw equity as a relevant focus and resonant message for the foundation at a time of historic inequality and widespread anxiety about displacement.

However, some trustees challenged staff to think beyond the current work and organizational structure. Rather than consider how to infuse equity into legacy programming, several trustees urged Blackwell and the staff to formulate an equity agenda first and then determine how to implement it through grantmaking, advocacy, donor engagement, convening, leadership, and investments — in short, by applying the full capacity and resources of the foundation. What would an equity-focused grant portfolio look like? How would the foundation bring best practices to the scale needed to stabilize neighborhoods threatened by displacement or to prepare the next generation for jobs in a changing economy? What would be the most effective organizational structure for carrying out the work?

“There was quite a bit of momentum leaving that retreat,” Blackwell said. “That was how we began to move from talking about equity into action.”

Erecting the Equity Framework

FEBRUARY – JUNE 2015

“An equity strategy understands that all communities are interconnected, and the wellbeing of one community in relationship to another community has an effect on the wellbeing of all communities.”

Taj James, co-founder and co-director, Movement Strategy Center

Seizing on the momentum, Blackwell organized an equity strategy team with staff from across departments, including programs, marketing and communications, donor relations, and operations. Traditionally, these departments had operated independently, but Blackwell wanted to model the cross-team collaboration that he knew an equity agenda would require. The team was charged with articulating a vision and principles for the foundation’s equity strategy. Once the team outlined the framework, consultants would come in to facilitate strategic planning. “I was clear I did not want to enter into a planning process about mission and values,” Blackwell said. “I wanted us to do that work and hire consultants when we were ready to get into the weeds about what we were going to do.”

Blackwell and the strategy team met about once a week through the spring of 2015, wrestling with elemental questions. What

does the foundation mean by equity? What outcomes should it seek to achieve? What tools can it use to grow a dynamic regional equity movement and shape systems and policy to foster inclusion?

With the PolicyLink equity profile as a guide, the team turned to data identify key areas for the foundation’s work. Attention focused on equity as an imperative for economic growth and on ideas for connecting low-income communities and communities of color to economic opportunity. Although staff members agreed that expanding opportunity should be central to the foundation’s agenda, several people felt that health care, the environment, and other longstanding foundation priorities received short shrift even though these issues impact community wellbeing and resident outcomes.

The team produced a one-page document, “Framework for Change to Achieve Regional Equity.” It defined the foundation’s desired equity result: A resilient, sustainable, and prosperous Bay Area where all residents

connect to the region’s assets and resources as well as participate in and benefit from the area’s economic and cultural vitality.

The document outlined desired outcomes for people and places in the region.

The framing noted that effective institutions and systems must support these outcomes. It identified important drivers of systems and policy change and the tools and levers the foundation could use to bring it about, but at this point the framing did not include “power” as a distinct pathway alongside people and place.

With the initial framing sketched out, the foundation sought consultants to help translate it into an action plan. Blackwell wanted a process customized for the foundation that was informed by data, and he wanted it to be participatory and fast. He also insisted on bringing in people well versed in equity. “I didn’t make sense to slow down our progress to educate consultants on equity,” he said.

THE SAN FRANCISCO FOUNDATION EQUITY FRAMEWORK



The request for proposals spelled out these requirements. “We were looking for someone who understood what we were trying to do, even though we couldn’t fully articulate what we were trying to do,” said Chief Operating Officer Dee Dee Brantley. The foundation found it in the Public Equity Group (PEG), a boutique San Francisco-based consulting firm run by people of color. As PEG Founder John Newsome often says, “Equity is our middle name.”

The foundation commissioned PEG to facilitate a three-phase process:

1. *Finalize the equity framework.*
2. *Identify how the foundation can leverage all its activities and assets to advance the equity agenda.*
3. *Determine how to align the foundation structure and resources to achieve equity goals, and identify metrics and milestones to gauge progress.*

Blackwell told the consultants he wanted to begin realigning the budget and grantmaking priorities under an equity strategy within a year. “The pace is aggressive,” Newsome replied. Over the coming months, that would become the consultants’ mantra.

Charting the Course Forward

JULY – SEPTEMBER 2015

“For every organization and every foundation in a major city, the people who are impacted by social ills are largely folks of color. So, you could say that everybody’s doing equity work, right? But it’s about whom you explicitly choose to serve, what goals you set, what strategy you pursue, how you approach the work, and with whom.”

John Newsome, founder, Public Equity Group

Around the time PEG came on board, Judith Bell, a well-known equity leader, joined the foundation as vice president of programs. Bell had previously served as president of PolicyLink. She, Blackwell, and Brantley formed the Strategy Leadership Team.

Together, this team and PEG consultants developed guiding principles for the foundation’s equity strategy development.

Before the process was finished and the strategy released, multiple teams, sub-teams, and committees would work on various aspects, often simultaneously and on overlapping tasks. In addition to the leadership team, four groups were key:

Guiding Principles: Equity Strategy Development

- *Aim for regional population-level impact.*
- *Address issues of regional significance.*
- *Plan for a mix of proactive and responsive efforts.*
- *Strive to be informed by data and evidence.*
- *Leverage all available foundation assets and tools, including grantmaking, convening, advocacy, and networks.*
- *Align with TSFF values.*
- *Aim for the right balance of risk and impact: the familiar and the new, short-term and longer-term accomplishments, achievable and stretch goals*

- **THE CORE EQUITY STRATEGY TEAM**, like the original equity strategy team, was a cross-departmental group. Composed of eight staff members, plus Blackwell, Brantley, and Bell, the team led hands-on planning. It analyzed data, identified “hot spots” — diverse low-income communities threatened by displacement or a history of disinvestment — and formulated recommendations for action.
- **THE MANAGEMENT TEAM** had final approval of the equity strategy recommendations to the board and responsibility for implementation planning. The team provided regular input, guidance, and content expertise to the core equity strategy team.
- **THE EQUITY SUBCOMMITTEE OF THE BOARD OF TRUSTEES** provided feedback to foundation leaders and the Management Team on the emerging strategy. The subcommittee began meeting in November 2015.
- **THE BOARD OF TRUSTEES** provided high-level guidance on the planning process and had final decision-making authority on the strategy.

On June 30, 2015, the Management Team kicked off planning with a brainstorming session guided by the PEG consultants. They asked the group to envision The San Francisco Foundation of tomorrow: What impact scenarios excite you? Ten years from now, what outcomes will be achieved?

The group also considered the foundation today: What issues, grantmaking approaches, systems, and partnerships seem most compatible with a deeper focus on equity? What might need to change and why?

The core Equity Strategy Team sat down to work with the consultants on July 29 and spent the following two months immersed in data. “We moved from big picture to more and more micro,” said Landon Williams, now the senior director for Anchoring Communities — the Place pathway. The team looked at data that compared California to the U.S.; Northern California to the whole

state; the foundation’s five catchment counties to Northern California; and then specific neighborhoods, even blocks.

The data supported the concerns expressed by residents during the VOICES: Bay Area sessions about racial and economic disparities, specific communities in jeopardy, and the crises in housing and jobs.

The Management Team and consultants made efforts to continually update the full staff, about 70 people, on the planning process. The staff did the brainstorming exercise about the foundation of tomorrow and today, and members of the Core Equity Strategy Team reported on their progress at regular staff meetings. Nevertheless, hearing brief updates on the equity strategy in a large meeting was not the same experience as shaping it. Later in the fall, the foundation would form sub-teams around the three strategic pathways, giving many more people the opportunity to participate directly in developing the new approach. But in retrospect, some staff members felt that more people should have been involved earlier, when the Core Strategy Team explored the dimensions of regional inequity and formulated a theory of change.

“I know we didn’t want to spend too long a time looking at data, but it was done too quickly and with too small a group of people,” Williams said. “It did not bring the entire foundation along in the process. People understood where we were going, but not how we got there.”

In early August, the consultants launched an internal diagnostic to assess the strengths and assets the foundation could harness to advance an equity agenda and the internal challenges it should address to have more impact. The consultants examined feedback from the VOICE: Bay Area sessions and the consultative meetings. Small-staff teams interviewed about 45 people, including community leaders, grantees, foundation staff, and trustees, about where the foundation needed to go and how it had to change to get there. As Blackwell said later, “It takes a certain amount of courage to pull back the covers like that.”

While planning progressed, the foundation held a debut of sorts for its equity agenda at Bay Area Bold, a two-day summit and festival at the Yerba Buena Center for the Arts in San Francisco. The foundation billed the event, in late September, as a call for collective action to build a more inclusive region. The gathering of decision makers, activists, community leaders, and service providers brought public attention to the foundation’s developing strategic focus. The first day of the festival featured TED-style talks and panel discussions about various elements of racial and economic equity. The second day featured music, dance, film, and interactive artistic experiences. It was a free celebration of the cultural vibrancy of the region and a vivid display of the capacity of art to express the traditions of communities while empowering them to fight for change.

From the foundation’s viewpoint, the timing of the event was not optimal. It had been scheduled far in advance to elevate the foundation’s longstanding community leadership awards program. But the date rolled around before the foundation had a clear equity strategy or plan. “It was like an early coming-out party before we were quite dressed,” Bell said.

Nevertheless, community activists were pleased to see the foundation showcase its commitment to inclusion and spur public discussion of racial and economic equity. “An effective equity strategy requires engaging the whole community in thinking about how to take systems that are precariously and extremely out of balance and then bring them into more balance in ways that generate wellbeing for all,” said Taj James of the Movement Strategy Center. “So, Bold was important. Had the foundation just done consultative sessions and gathered community input but not engaged the broader community in that dialogue, the prospects for the equity work would have been much slimmer. For equity to become a reality in the Bay Area, it’s going to require a wide range of communities to see how their well-being and their fates are linked.”

Navigating Stormy Waters

OCTOBER – DECEMBER 2015

“This place was built on the idea that program officers and program directors are experts in their field, they needed to know the answers backwards, forwards, inside, and out. And now, we were saying, Well, yes, you’re national experts. But let’s think about it from a completely different vantage point, from an integrated strategy development perspective. It was a huge culture shift.”

Judith Bell, The San Francisco Foundation vice president of programs

The internal diagnostic, presented to the staff in mid-October, revealed that people inside the foundation agreed with the sentiments expressed during the VOICE: Bay Area sessions and the consultative sessions: With a more focused, integrated strategic direction, the foundation could make a big difference on vital equity-related issues. Further, the foundation could leverage its resources and capacity in messaging and communications to drive a regional equity agenda, inspire donors, and attract support from philanthropy, business, and government. The diagnostic also recommended a more concentrated, higher-impact grantmaking strategy. The existing strategy limited annual spending, including grants, to around 5 percent of the foundation’s \$800 million endowment. The foundation tended to make one-year grants and spread them widely and thinly.

Among the report’s recommendations:

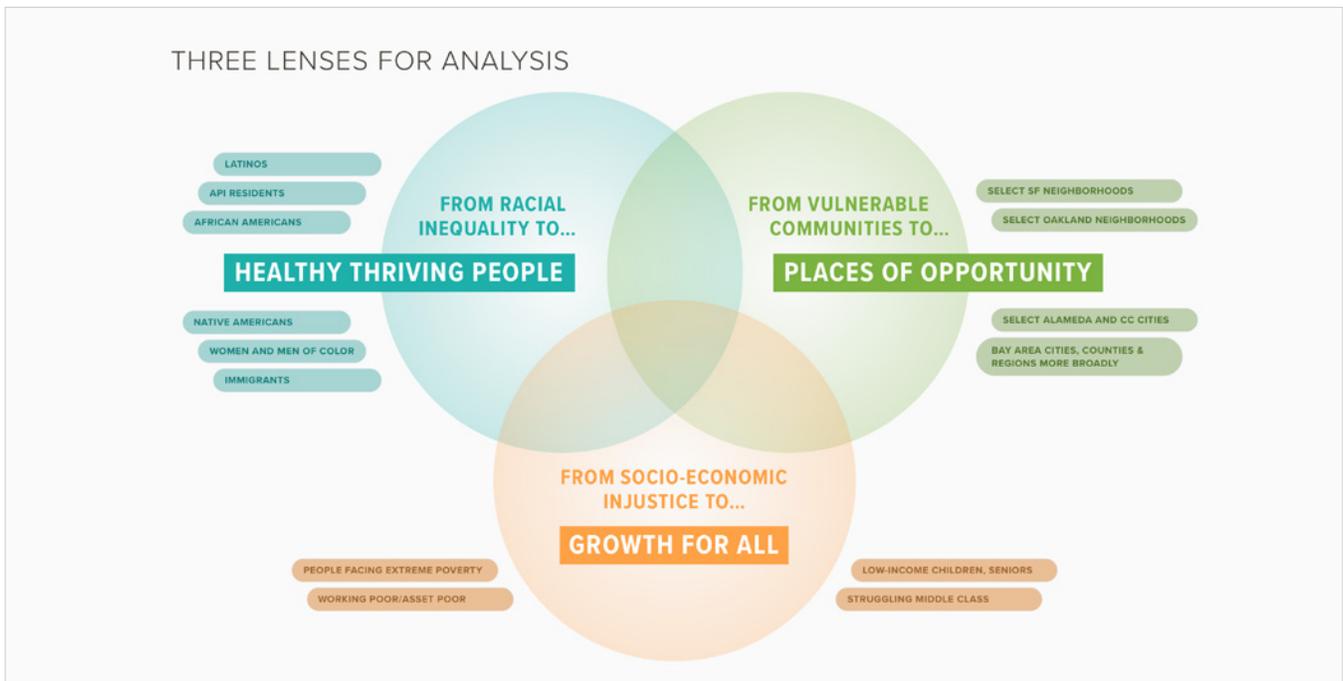
- *Be more driven by data and outcomes.*
- *Make grants of sufficient size, type, and duration to have significant impact.*
- *Break down grantmaking silos.*
- *Play a bigger role in advocacy for systems and policy change.*
- *Increase foundation accountability and transparency.*

Also in October, the Core Equity Strategy Team began to consider how to translate the needs articulated by residents, the guidance of partners, and the equity data into foundation strategies and investments.

The PEG consultants asked the group to look at opportunities for action through three lenses: race, place, and socioeconomic.

In other words, how could the foundation improve outcomes for specific populations, in specific neighborhoods, and around specific issues that impact well-being and success, such as workforce development?

Although the lenses overlap, each brought distinct issues to the fore. “Applying different lenses takes you to a different set of solutions,” said Newsome of PEG. “If you look at data about how many people are poor in the Bay Area, you just say, ‘Wow, there are a lot of poor people in the Bay Area.’ You can look at the same set of data and disaggregate it by race, and you reach a different conclusion about who’s poor and answer a question about why they’re poor. Same set of data cut by geography, you end up looking at the places where people are poor and why those places are poor.”



In an eye-opening moment, the team examined education outcomes by race and saw that a low-income African American student did not fare much better by moving to a higher-performing school district. A strict economic analysis would not have revealed this nuance. It underscored the complex interplay of race, place, and opportunity. Insights like this guided the team in developing a theory of change and, later, the full equity strategy.

The theory of change and the early iterations of the strategy framework included two primary pathways to advance racial and economic equity: expand opportunity (what was ultimately dubbed People) and strengthen anchor communities (Place). At this juncture, nurturing equity movements (Power) was an essential underpinning of those pathways, not as one in its own right.

In November, the core equity strategy team began to think about strategy development in more concrete terms. What issues, populations, and communities should be targeted? What would the work look like? To make the conversation real, the consultants asked the team to develop illustrative

examples within each pathway — potential strategies based on data, the needs articulated by residents, an understanding of the historical and political contexts of the issue or place, and opportunities to mobilize partners to achieve significant equity wins.

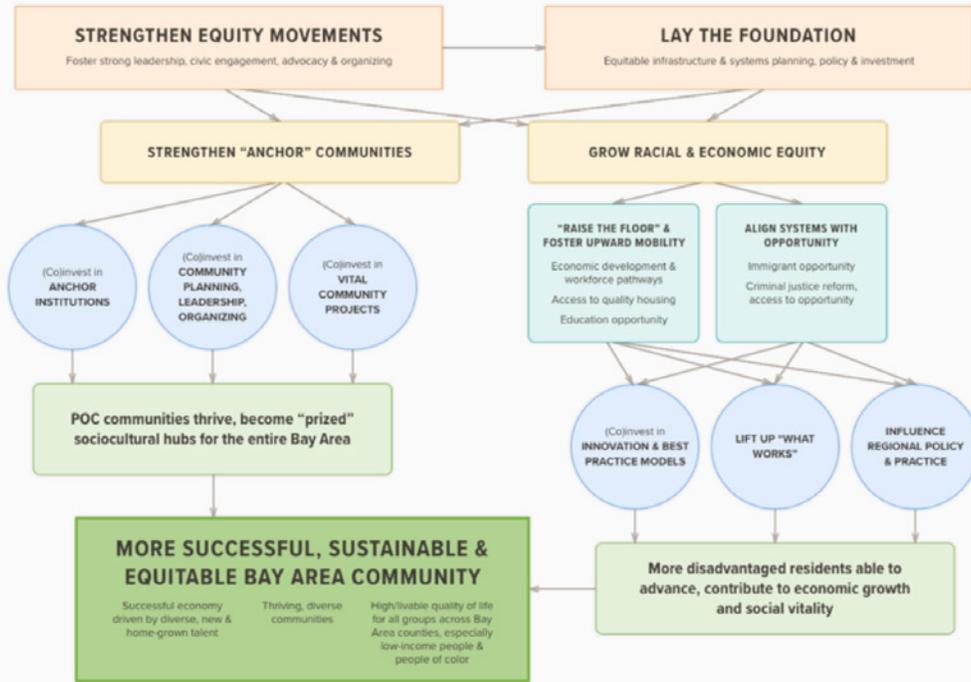
Blackwell intended to present the equity strategy and ideas for implementation to the board at its retreat early in 2016. As 2015 wound down, everyone worked feverishly to meet the deadline. The Management Team formed interdepartmental work groups to figure out how to implement the (still-developing) strategy across every activity stream at the foundation: programs, donor engagement, internal and external communications, finance, and operations. Leadership worked on a reorganization of the program staff under the strategy. The program staff represents about half the foundation’s workforce. Rumors swirled, and people anxiously wondered what would become of their jobs.

Cross-departmental sub-teams also were created to develop the presentations about the strategy for the board. This brought more staff into the planning process — and into

work outside their disciplines and comfort zones. “This place was built on the idea that program officers and program directors are experts in their field, they needed to know the answers backwards, forwards, inside, and out,” Bell said. “And now we were saying, ‘Well, yes, you’re national experts. But let’s think about it from a completely different vantage point, from an integrated strategy development perspective.’ ”

The task posed several challenges. Because the sub-teams had only two weeks to draft the presentations and six weeks to finalize them, the consultants recommended using an “answer-first” model. A hypothesis-driven approach, it starts with what you know and think is the correct answer and uses data to prove or disprove it with the goal of arriving at an answer that’s “80 percent right.” It’s faster than a “bottom-up” model, which derives answers from deep expertise and research and had been the norm at the foundation. Some people found the new approach unsettling, though for others it was an epiphany. “This is the moment when people understood where the effort was going and why it mattered,” Bell said.

THEORY OF CHANGE



The sub-teams searched for ways to cut through the complexity of the strategy and explain it in clear, compelling terms. Eric Brown, then the interim vice president of marketing and communications, proposed the idea of storytelling — using one person’s lived experience to convey the urgency and the possibilities of the work. While storytelling has long been an integral part of a communications strategy, it was a new approach inside the foundation. Rather than communicate through dense text and charts, which the foundation had utilized, the communications team worked with colleagues to create communications materials that told a story and were dominated by engaging visuals and data. The integration of storytelling into the communications plan crystallized the strategy for trustees and allowed them to “see” the stories and understand the underlying strategies.

But in the moment the work was stressful. Groups struggled to come up with the right story and figure out how to use it to showcase an equity strategy that was still a work in progress.

“We were in stormy waters,” Bell said. “We were pushing people to embrace the new strategy. We were asking people to work together, which was different. We were also asking people to work differently as professionals. And layered on top of that were the pressures of time and performance. That was on the edge of too much, too fast.”

Until this point, the consultants had focused exclusively on strategy development. Without slowing down the process, foundation leaders and the consultants realized they also had to be intentional about supporting the staff to manage change.

In early December, the foundation held a final consultative session with about 35 close

partners. It was a dry run of the strategy before an audience that could be counted on to give wise, honest feedback. “It was quite a great conversation,” recalled participant Pamela David, executive director of the Walter & Elise Haas Fund. “They really were inviting people to be part of the process.”

The group was enthusiastic about the overall direction and underscored the importance of foundation leadership in movement building. Many believed the equity strategy would be a gamechanger, with impacts rippling across the country, if The San Francisco Foundation put its weight behind building power for low-income communities and communities of color. That input was an important factor in the decision to embed movement building as the third pathway. “We heard loud and clear that we need to pay attention to leadership development and community organizing,” said Myra Chow, now the foundation’s senior director of nurturing equity movements.

The Green Light for Change

JANUARY – JUNE 2016

“There was a lot of push to say, ‘You know, if we’re going to do this, let’s jump in with both feet.’ ”

Andy Ballard, former chair, The San Francisco Foundation Board of Trustees

The intense activity continued into the new year, as the foundation began systematically reaching out to key constituencies, planning the strategy rollout, and preparing for the 2016 board of trustees’ retreat.

In addition to its own investment portfolio, the foundation manages \$500 million in donor-advised funds. Those donors represent an important constituency for the foundation. During the previous year, leaders had met privately with individual donors to discuss the developing strategy. In January, Blackwell, Bell, Ruben Orduña, vice president of development and donor services; Jackie Downing, director of donor relations; and members of the donor development team held the first of three meetings with groups of donors to formally present the draft strategy and solicit their feedback. It was the first time the foundation had ever gathered together donors and engaged them in shaping a foundation initiative.

An equity-focused grantmaking strategy would govern only the discretionary funds

from the foundation’s endowment, not resources from the donor-advised funds. But the leadership hoped the strategy would inspire donors to fund equity initiatives, champion the work, and even help lead it. At the same time, donors who had other philanthropic priorities needed assurance that the foundation would support them, as it always had. This was central to the evolving donor engagement strategy — getting donors’ feedback, and, foundation leaders hoped, affirmation that this was the right role for the foundation, but without any requirement that individual donors had to follow the equity strategy in their own philanthropy. This was about informing, inspiring, and inviting donors to learn and engage with the foundation in a new way. Donors were largely supportive of the new direction and enthusiastic about the opportunity to become involved in the foundation’s strategy development and implementation. The prospect of deeper collaboration was a relief for the foundation staff. It debunked the fear that being bold about equity would scare away donors and create significant financial risk for not only

the equity work but for the foundation as a whole. Partnering with donors and building their leadership presented a potent addition to the emerging equity strategy.

The foundation had already gotten a taste of just how powerful this kind of partnership with donors could be. In the summer of 2015, an anonymous donor, committed to improving outcomes for children and families in Oakland, had worked with the foundation to target \$34 million to key institutions and organizations. These included the school district, a city-led cradle to college initiative, and more than 16 community-based organizations and community-led efforts, particularly in east and west Oakland. In developing grants to support a cross-pathway collaboration, the staff had to work across the internal silos of issue areas and departments. “We saw just what an incredible resource our donors could be and began to realize how many possibilities we could explore with them,” Orduña said.

While the donor development team reached out to donors at the start of

GROWING RACIAL AND ECONOMIC EQUITY



2016, program officers began contacting hundreds of grantees to let them know where the foundation was heading. By now most knew changes were coming, and they worried about their funding. The foundation's shift occurred at a fragile time for San Francisco's nonprofit ecosystem. Several other foundations also were refocusing their priorities, and government support for some programs was shrinking as low-income residents were displaced from the city. This reduced the census on which funding formulas are based, yet many people returned to their old neighborhoods for services, so demand was as high as ever, if not higher. Program officers told grantees that the foundation would provide year-long transitional funding. "We were acknowledging the past, we were telling them they might not be funded in the future, and we were giving them a runway for going into that future," Bell said.

The foundation's marketing and communications department also was busy continuing to integrate communications into the planning process, developing a plan for the equity agenda rollout, and co-creating the messaging that would be used by foundation leaders and staff in communicating to donors and grantees. Foundation leaders kept searching for clear, memorable language that distilled the strategy's core elements — expanding access to opportunity, anchoring communities, and nurturing equity movements. During a meeting in early in 2016, Brown, the interim vice president of marketing and communications, framed the pathways with three words: people, place and power. These terms were illuminating in their simplicity and seemed to perfectly describe the pathways. But on second thought staff wondered about the word power. Was it too radical? Would the board support such wording?

At the February retreat, Blackwell did not mince words. "Without putting too fine a point on it, we propose being bold," he wrote in his opening memo to the board. "This is not the usual way that community foundations work, but these are unusual times. We are proposing mutually reinforcing solutions for jobs, homes, and political power to confront the mutually reinforcing crises in the workforce and housing sectors, and with persistent racism."

The presentations began, and the staff's struggles to explain the equity strategy through storytelling paid off. Chow, the director of nurturing equity movements — the Power pathway, led with the story of Alex Tom, who first connected with the foundation as a teen in San Francisco's Chinatown. Over the years, he came to understand the historical and political context of dynamics in his community. Now he leads Chinese Progressive Association

in San Francisco, which has organized immigrant workers to recover millions of dollars in owed wages. Chow described how the association links to a network of groups across the region that organize immigrants, low-wage workers, youth, and tenants to build collective power and demand better living conditions, better working conditions, and justice for all. Her presentation underscored why organizing and movement building must be central to any ambitious change agenda, particularly one aimed at dismantling entrenched racial and economic barriers.

Although some trustees, like some staff, were initially ambivalent about using the word power, by the end of the retreat the board had embraced it. The trustees gave their approval to move forward on strategy development and implementation planning. They urged the foundation's executives to be undaunted about shaking things up.

"You can make lots of grand statements about doing an equity strategy and then you look back two years later, and you're still funding the same people that you funded, with the same organizational structure," Board Chair Andy Ballard said later. "So, there was a lot of push to say, 'You know, if we're going to do this, let's jump in with both feet and get all into the water.'"

The foundation took the plunge.

The implementation plan, finalized in early spring, included a communications strategy designed not only to announce the new strategy but also to inspire support for equity from policymakers, philanthropists, business leaders, and the public. The

communications department realized its messaging had to break through the widely held misperception that the Bay Area is so progressive that inequity is not a problem. Essentially, the foundation needed to acknowledge the simultaneous realities of wide support for racial inclusion and deep racial divides and tensions without framing this as a polarized debate. The communications staff determined that the messaging needed to tap shared concerns about the widening income gap, and it had to play to the shared pride in regional innovation and success at solving problems that others have not.

The foundation commissioned a poll, to be released at the launch of the strategy. It probed people's views of the region, including the qualities they valued most and their top concerns. The poll included explicit language about race, highlighting the foundation's embrace of race as a critical element in the public conversation about inclusion and prosperity.

Through the early spring, the Core Equity Strategy team continued to refine the elements of the three pathways and identify how they intersect and reinforce one another. The team also discussed how to incorporate longstanding program areas into the new strategy and which areas to wind down. For instance, the foundation had historically funded arts and culture broadly. In the context of equity, the team viewed arts and culture as vehicles to preserve and strengthen community vitality and support movement building. This readily fit into the Place and Power pathways, though the foundation would likely fund different arts and culture initiatives than it had in the past.

Health was another legacy program. The foundation had seeded organizations such as On Lok, which had grown over four decades from a day-health center for frail elders in San Francisco's Chinatown into a regional network of nonprofits serving seniors and a national model for integrated care. It would not have been a stretch to wrap health care access into an equity agenda or to include better health outcomes as an equity goal. On the other hand, if the foundation was to have a bigger footprint in certain arenas, it could not tread everywhere. With several large regional, state, and national foundations prioritizing health equity, The San Francisco Foundation eliminated its health care portfolio. The foundation also closed its disaster preparedness program and provided one-year funding to Northern California Grantmakers to work on the issue under the auspices of a philanthropic consortium.

In June, the board gave final approval to the equity strategy. It endorsed the triple-pathway approach and the multi-layered roles the foundation would play as funder, connector, civic leader, and convener in a regional movement to expand opportunity and inclusion. Before publicly releasing the strategy, the foundation held a conference call with grantees to give them a preview, address concerns, and make it clear that the foundation did not yet have all the answers. For example, it had not developed new grantmaking guidelines. That would happen over the summer and into the fall, with input from grantees.

The New Era

JUNE – OCTOBER 2016

“I’m excited about the possibilities. I do think it’s the right time and the right quest.”

Bob Friedman, trustee, The San Francisco Foundation

In June 2016, the foundation officially unveiled the new strategy along with the results of its [poll](#). The survey of 800 people showed that the equity agenda synced with public opinion, and the foundation’s strategic priorities aligned closely with widespread concerns about the region. Seventy-seven percent of those surveyed said that racial, ethnic, cultural, and economic diversity make the Bay Area a great place to live. Half said that people of different races or incomes are not treated equally. Sixty-two percent agreed that greater inclusion would enhance the region’s economy and quality of life; and 68 percent called for greater investment in transportation, affordable housing, and other infrastructure.

The following month, the foundation announced its first grants under the equity strategy, totaling \$5.265 million. The foundation was just beginning to restructure the staff; it had not yet released grantmaking guidelines or developed a system for soliciting proposals and managing grants collaboratively. But there was money available and foundation leaders were eager to invest it as a highly visible display of the new direction and approach. “We had to move fast, as we were building the boat as we were sailing



it,” Bell said. “We wanted these first grants to signal where we were heading, and some of the partners we would be traveling with and supporting along the way.”

The foundation had taken to heart the message from the VOICE: Bay Area sessions and the consultative sessions about making bigger grants for greater impact. The average annual grant was

\$80,000, compared with \$30,000 under the old portfolio. Several organizations received multiyear funding.

Twenty grants supported strategies in the People pathway. For example, the Ella Baker Center for Human Rights and Californians for Safety and Justice received funding for implementation of a new state law reclassifying certain nonviolent offenses

from felonies to misdemeanors, a reform that would remove a significant employment barrier for tens of thousands of formerly incarcerated people. Another grantee was San Francisco-based REDF, which invests in social enterprises that provide employment training and jobs to people released from prison and others who often find it difficult to get a job and stay employed.

The Place pathway funded more than a dozen organizations, including several groups addressing the housing crisis through ballot measures: the nonprofit Housing Association of Northern California, Oakland Citizens Committee for Urban Renewal, and the Philanthropic Ventures Foundation. The funding signaled a new direction in grantmaking. The foundation would support change efforts through the electoral process, helping organizing efforts, communication strategies, and get out the vote campaigns.

Power pathway grants supported voter engagement efforts to register and activate new and infrequent voters from low-income communities and communities of color, elevating the voices and influence of the most vulnerable populations across the region. Among the recipients: Mobilize the Immigrant Vote, the East Bay Asian Youth Center, and Self-Help for the Elderly.

Inside the foundation, big changes were underway. The program department reorganized along the pathways, and many staff received new positions based on their interests and organizational needs. The foundation also redesigned the grants approval process to be more collaborative and strategic. This moved decision-

making autonomy away from individuals, underscoring the interconnected nature of equity work. As much as one-quarter of the program staff left over the following months. Although some moved on for other opportunities, “most of the turnover, I’d say, were people who did not see themselves in the new agenda and new way of working,” acknowledged Bell. Those who stayed worked hard to master new responsibilities and find their footing in a rapidly changing environment. The vacancies added to their workloads.

The development and donor services department continued to deepen the foundation’s relationship with the people behind the donor-advised funds. The donor meetings to introduce the equity strategy had been hugely popular. Many donors had historically viewed the foundation primarily as a vehicle for investing and distributing their philanthropic dollars. They enjoyed connecting more deeply with the foundation and one another, and many wanted to learn more about the equity work. The donor services department organized group discussions on equity issues and walking tours of hot-spot communities, another foundation first. Foundation leaders viewed these events as important steps toward building a robust network of philanthropists dedicated to equity.

In the fall, the foundation made several pivotal hires. Gail Fuller joined as vice president of marketing and communications in August just as the foundation was stepping up messaging around equity, becoming more proactive about engaging donors and grantees, and playing a bigger, more visible role in the political

arena. One of Fuller’s first tasks was to spearhead outreach to grantees and grant seekers about the development of the new grantmaking guidelines and invite them to participate in a process that foundations traditionally conduct behind closed doors. More than 550 grantees and community leaders took part in webinars to review the draft guidelines and provide input. Prior to her arrival, the foundation launched a series of public conversations in July, in partnership with the Commonwealth Club and KQED, to explore the intersection of People, Place and Power in the Bay Area. The series has covered a range of topics including the future of work, affordable housing, and immigration.

The foundation also hired Jessica Mindnich as its first director of strategic learning and evaluation. From the beginning of the planning process, Blackwell had made clear that the strategy’s success would be measured by ambitious five to 10-year goals. In internal communications, he put numbers to those goals, based on program leaders’ “answer first” estimates and subsequent research: help 200,000 additional low-income Bay Area residents advance toward financial self-sufficiency; create 50,000 new affordable homes for 150,000 people; activate 180,000 new voters, focusing on people of color and low-wage workers. However, the foundation had no mechanisms or technology infrastructure for establishing and monitoring metrics and milestones. Mindnich was tasked with creating data systems to track progress, measure results, and hold the foundation accountable for delivering on the promise of its equity strategy.

Equity and a New Political Reality: The 2016 Election

NOVEMBER — DECEMBER 2016

“History tells us that the passage of time does not make the situation better. It is what we do with that time that makes the difference.”

Fred Blackwell, CEO, The San Francisco Foundation

The 2016 election cycle turned out to be an important test of the power and potential of the equity strategy.

The foundation seized on the election to address the housing crisis in the region. There were 18 ballot measures in cities and counties to stabilize rents, protect tenants against evictions without cause, and preserve and build affordable housing. Alameda County had a \$580 million bond measure to finance affordable housing development. Oakland had a \$600 million measure with substantial resources to preserve existing housing, and San Mateo County had a half-cent sales tax proposal, also to fund housing development over the next 10 years.

Foundation staff had participated in drafting some of the proposals and worked with community, municipal, and business leaders to win support. The foundation funded campaign infrastructure and drew on its relationships with diverse groups to forge broad-based campaign alliances. For example, the foundation called upon its network of faith leaders to rally around the issue and brought them together with housing advocates to strategize on how to move the measures. At a media event in October, influential faith leaders endorsed

critical housing investments and protections — and voiced their opposition to confusing and competing ballot measures put forth by the real estate industry. Many faith leaders joined advocates, organizers, and developers in get out the vote campaigning right up through Election Day. Almost all the measures won. The Alameda County and Oakland bonds and the San Mateo County tax passed handily.

While the Bay Area scored these big equity wins, the nation elected a president and a congressional majority that threatened to reverse 70 years of hard-won progress on racial and economic equity and civil rights. The foundation leaped into action.

It had planned to launch a Rapid Response Fund for Movement Building in January 2017 to support organizing and advocacy in the face of urgent equity needs. Immediately after the election, the foundation moved up the clock to November 2016 to provide short-term grants up to \$15,000 for activities such as non-violence training, crisis communications, legal assistance, and resistance organizing. The foundation moved money out the door within two to three weeks, an unheard-of timetable. And the foundation invited donors and private foundations to donate to the Rapid Response

Fund. They responded enthusiastically, substantially increasing the size of the fund.

In anticipation of any federal action, The San Francisco Foundation awarded \$3 million in grants to support nonprofit organizations focused on helping immigrants and their families. In early 2017 — given the political climate and urgency of the moment with new federal executive orders — the foundation partnered with its donors and matched \$750,000 from Alameda County and \$300,000 from the city of Oakland to provide critical legal services and know-your-rights efforts.

Through a series of blog posts, speaking engagements, and media interviews, Blackwell spoke out forcefully for the rights of immigrants, Muslims, the LGBTQ community, people of color, women, and other targeted groups. In one post, he offered a stirring reminder that no matter how a local or national election turns out, the work to advance racial and economic equity must continue. “History tells us that the passage of time does not make the situation better. It is what we do with that time that makes the difference,” he wrote. “History tells us that the power of movements — from women’s suffrage to civil rights to marriage equality — can lead us to higher ground and a more inclusive America.”

Grantmaking for Equity

JANUARY – JULY 2017

“It was a really hard five months.”

*Kay Fernandez Smith, assistant vice president of programs,
The San Francisco Foundation*

It had always been clear that the equity agenda would require the foundation to handle grants in a radically different way. Under the old structure, a common one among community foundations, program officers had autonomy over grantmaking in their areas. Each of the five programs scheduled their grantmaking cycles independently. Grantees' experience with the foundation varied widely, depending on their main contact with the foundation. Now the foundation viewed grantmaking as an important vehicle to drive the equity agenda across three interconnected pathways. This required a unified, collaborative, and strategic approach. It also demanded assiduous outreach to nonprofit leaders well beyond the familiar circle of grantees, because the foundation was moving into new areas of work. And like the development of the equity strategy, the creation of the grants program required broad staff involvement, transparency, and community input to be true to core equity principles. In the fall of 2016, more than 550 grantees and community leaders took part in webinars to review and give feedback on preliminary plans and guidelines for the Equity Grants Program.

In developing it, the foundation had to answer two big questions. First, what are our priorities for action? Second, how do we collectively decide which projects and organizations to support? Figuring this out would have been complicated in any case. Doing it in the latter half of 2016, amid the reorganization, staff vacancies, the election, and the administration of the first equity grants, stretched and stressed everyone. It took meeting upon meeting and a seemingly endless round of drafts, edits, and revisions of priorities and plans.

The staff found it particularly challenging to establish priorities in new areas of work. The People pathway initially drew up a long list of strategic priorities, including work in criminal justice reform, uncharted territory for the foundation. Staff felt insecure as they whittled the list, wondering: How do we know we're landing on the right strategies? The Power pathway had the opposite problem: The first list of priorities included strategies in coalition building and community organizing but not leadership development, a critical piece of the equity agenda. Bell and Kay Fernandez Smith, newly hired as assistant vice president of programs, pushed people not only to clarify

the goals and priorities within each pathway, but also to make sure they reinforced one another and aligned fully with the overall equity strategy. “It was a really hard five months,” Fernandez Smith said.

The foundation released draft grant guidelines in November 2016, then revised them based on comments from community leaders. In January 2017, the foundation formally announced an open grants cycle and posted the pathway goals and guidelines on its website. Broadly speaking, the foundation sought proposals that:

1. *Aligned with the equity agenda*
2. *Served or engaged predominantly low-income communities and communities of color*
3. *Came from organizations that showed a commitment to inclusion by the racial and ethnic makeup of staff and leadership*
4. *Aimed for high impact, particularly through efforts to change policy and systems*
5. *Embedded a culture of learning and evaluation, and displayed the capacity to measure qualitative and quantitative results*

It was the first time the foundation had publicly solicited grant application under the equity agenda from organizations throughout the region. The response was overwhelming.

In 2015, the foundation had received 686 applications totaling \$24.5 million in requests. The Equity Grants Program logged a staggering 950 applications and \$128 million in requests — more than 10 times the amount it had to invest. Outdated computer systems made it impossible to handle the load smoothly. The staff had to sequence application deadlines by geography because they feared the grants management system would crash if everything came in at once. Although program staff stayed in contact with applicants and grantees, nonprofit leaders read the sequential deadlines like tea leaves. What did one date or another signify? Did a later deadline mean lower priority? It did not. Staff members wound up tracking and reviewing applications on paper tucked into manila folders due to the inadequate technology.

The foundation set up a four-stage review process. To avoid overburdening organizations, the foundation asked them to submit a brief initial application. The staff

eliminated those that did not mesh with the basic guidelines — they were from out of the region, or were requests for capital investments or other items not covered by the grants program. In stage two, staff members from all departments and all levels read and winnowed proposals. As proposals advanced to stages three and four, more senior staff culled further. About 274 organizations were asked to submit full proposals. At every stage, teams of people would hole up in rooms for hours, using a matrix to rate proposals.

Tough questions arose. How could the staff be sure they had attracted proposals from the best organizations suited to do equity work, especially organizations led by people of color? How should the foundation think about due diligence and risk tolerance as it supported new grantees in under-resourced communities and underfunded fields such as community organizing? The foundation had announced it would make grants of up to \$100,000 for three years. Many organizations, tiny ones included, applied for the maximum. “One of the biggest learnings is that we should give more guidance on the types of organizations and activities eligible for these types of grants,” said Mindnich, the director of strategic learning and evaluation.

In July, the foundation announced the first awards under the Equity Grants Program: \$11.7 million to 144 organizations. Nearly one in three grants went to organizations that had never received foundation funding, which meant that about two-thirds of awards went to previous grantees. “It’s a good mix,” Bell said. “It would have been strange to support the same groups we always had, and yet we did not abandon long-standing allies and partners.”

The average grant was \$80,000; 40 percent of grants extended over two or three years. For the first time, the foundation funded projects to improve community safety and eliminate barriers to employment for formerly incarcerated people. The foundation also reasserted its commitment to address the region’s housing crisis, with significant investments in projects to produce and preserve affordable housing and expand tenant protections. The grants reflected the emphasis on systems and policy change. The foundation supported a range of initiatives to organize communities, advocate for equity-focused reforms, and expand civic engagement so that all Bay Area residents — low-income people and people of color especially — can bring their voice and power to shaping the future of the region.

Lessons Learned

“This continues to be a journey — one with successes and challenges — that truly reimagines how we work to advance racial and economic equity. It also has been an inclusive process, which has allowed us to engage our trustees, staff, donors, and community partners in shaping the equity agenda.”

Dee Dee Brantley, chief operating officer, The San Francisco Foundation

Since the foundation announced its equity strategy, philanthropists and others around the country have asked: Why did you do it? And how? This report tries to answer those questions.

The foundation’s staff have reflected on the successes and the stumbles of the strategy-development effort, to learn as their work evolves and to guide other organizations, foundations especially, that may embark on a similar journey. Here are eight key lessons learned.

1. Listen to the community.

People inside and outside the foundation gave the leadership high marks for reaching out to residents and community leaders through the VOICE: Bay Area sessions and the consultative sessions. These gave the foundation important insights into the needs and opportunities in communities. The sessions also encouraged community buy-in to the equity agenda, and it forged relationships that will help advance the agenda.

2. Look beyond grantmaking and step up as a civic leader.

Community foundations have a responsibility to build strong communities by creating a space at the table for all residents, fostering civic leadership, and amplifying community voices. And in doing so, community foundations take on many roles — advocate, civic leader, convener, grantmaker and philanthropic partner. For The San Francisco Foundation, grantmaker, convener and philanthropic partner were in its DNA. But the potential of the foundation’s civic leadership had been very underutilized. The foundation was used to fostering civic leadership among community leaders and grantees but hadn’t focused on its own role as a civic leader. The confluence of the launch of the equity agenda and the changing political climate brought to the forefront the critical role the foundation needed to play as a civic leader. It was a defining moment for the country and the Bay Area region. For the foundation, it

became clear — if not us, then who? Stepping up as a civic leader, along with partners and donors, provides a powerful platform for advancing needed change. For The San Francisco Foundation, the balance of grantmaker and civic leader — and knowing when to wear one or both hats — is critical to advancing the equity agenda and achieving greater racial and economic inclusion in the Bay Area.

3. Use data to drive the work forward.

Data disaggregated by race, ethnicity, country of origin, and neighborhood are key to understanding patterns of inequity in a region — and to changing them. Although The San Francisco Foundation has been a philanthropic force in the Bay Area for decades, a deep dive into disaggregated data gave the staff, leadership, and trustees fresh, nuanced insights into the patterns of inequity across the region and how the foundation could fully leverage its resources to move the needle for low-income communities and communities of

color. The foundation will continue to use data to track progress, measure results, determine what approaches work and can be brought to scale, and make the case for policy change that expands opportunity and advances equity.

4. Community foundations should tap the incredible potential of their donors.

The San Francisco Foundation has always valued its relationships with donors, but it traditionally confined its role to advising individuals and families on their grantmaking portfolios. As part of its comprehensive equity strategy, the foundation has engaged donors in unprecedented ways. It invited their feedback on the strategy. It has hosted discussions about equity. It has taken donors to neighborhoods struggling with displacement, poverty, and high unemployment to talk with people who live there. The foundation has discovered a valuable resource in its community of smart, influential donors who care deeply about the future of the region. And many donors are excited about working with the foundation to build a stronger, more inclusive region. Some have contributed to the Rapid Response Fund and made grants to organizations that presented at the donor sessions. Advisors to wealthy individuals have also participated and directed their clients either to open funds with the foundation, or to donate to the efforts and organizations that they have recommended.

5. Organizational restructure is hard on the staff. Be proactive about managing change.

In mid-2016, as program staff assumed their new posts in the restructured foundation, the organization launched a process to help the staff manage the stress and uncertainty that change evokes. In retrospect, foundation leaders

say they should have begun it earlier. People were anxious about their jobs. They needed support to work differently. Many felt overwhelmed by meetings, committee work, and tight deadlines on top of the normal workload. “If we were redoing it, I would build in more pause points to give people the space to talk about the experience,” Bell said. “I’m so proud of the way that, from the very beginning, the foundation was participatory and respectful of the roles everyone played. But I think we came a little late to recognizing and respecting people’s experiences and feelings.”

6. Communicate early and often. There’s no such thing as too much.

Strategic change at a high-profile foundation that supports and collaborates with organizations across the region leaves many people nervous about the future of funding and shared initiatives. While the foundation doggedly sought input on the strategy from residents and partners, some people felt leaders fell short when it came to circling back and updating the community on the plan and its likely impact on longstanding commitments. “If you think you’ve communicated enough, you still probably haven’t,” Bell said.

7. Invest in state-of-the-art I.T. systems and keep them up to date.

With heavy demand for resources to support programs, community foundations and other NGOs often resist spending on their own infrastructure. This has costs. As the foundation launched the first grant cycle under the equity strategy, old technology hampered its ability to accomplish one of the most basic tasks, efficiently processing applications. Further, the foundation needed significant tech upgrades to make good on its promise to track progress, hold itself accountable for results, and aim for

population-level impact. Foundation leaders must recognize, as the foundation now has, that investments in robust, reliable data systems are not a frill. They are required to support ambitious, integrated strategies and to work across disciplines, fields, and sectors to achieve significant — and measurable — equity goals.

8. The time for equity is now.

Organizations committed to the work do not have the luxury of engaging in protracted strategic planning that anticipates every scenario and contingency. Embrace uncertainty. Be honest about what you know and are still figuring out. Stay nimble, alert to opportunities, and responsive to fresh challenges.

Throughout the process, the foundation’s staff was driven by the urgency of the moment and the impact to the Bay Area if the issue of equity was left unaddressed. And as it happened, no amount of data analysis and scenario planning could have anticipated the jolting turn of events and tremendous threats to equity in the wake of the 2016 presidential election. The foundation has tried to balance planning and flexibility. It has learned to act quickly and decisively in response to new challenges without veering in scattered directions or losing sight of its North Star. “We don’t want to get to a place where we know exactly what to expect,” Bell said. “We have to stay on course, but we have to stay flexible on course.”