

# UNLOCKING THE PROMISE:

*A Guide for Funders Interested in Transformational Grantmaking*



Advancing the Values of Fairness, Democracy, Opportunity and Access

**Produced and Distributed by:**

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## Introduction:

The Funders' Network for Smart Growth and Livable Communities (TFN) is pleased to share with you *Unlocking the Promise: A Guide for Funders Interested in Transformational Grantmaking*. This guide focuses on the intersection of race, class and access to opportunity related to growth and development decisions made by governments, private developers, and not for profit organizations in communities of all sizes. We hope this guide will assist funders in providing more philanthropic resources for projects and efforts that are transformative in nature, resulting in the reduction of local and regional disparities; the development of leadership opportunities across a range of communities; and the advancement of strategies that simultaneously benefit people and place.

The goal of focusing on transformational grantmaking stems from the need to rectify unenlightened decisions made decades ago that adversely affected neighborhoods. For example, in many cases, development and transportation decisions have devastated what were once vibrant and economically healthy urban communities. The migration of affluent populations from the cities to

the nearby suburbs resulted in concentrated poverty, crime and social neglect in the urban core. As this migration pattern continues, those socio-economic conditions now exist in many older suburbs, small towns and rural areas. As a result, funders are often confronted with having to make choices across a broad and complex range of funding opportunities. For that reason, working towards systemic change requires careful attention to the principles that are highlighted in this guide. We believe that fair, opportunity-based grantmaking is not only the “right” thing to do, but also the most promising contribution that funders can make towards creating more sustainable, equitable and livable communities.

This first version of *Unlocking the Promise* is designed to give foundation leadership and program staff an instrument that will assist in the assessment of proposals and projects and provide a forum for discussion with prospective grantees for improvements in the proposals and projects that will make them more transformative. In addition to providing a tool, this guide will help funders advance community resilience through economic and social empowerment, which is at the core of the three principles that are highlighted in this assessment guide.



# *The Principles:*

## **1) Focus on People and Place**

Revitalizing the physical, social and economic environment within distressed communities and improving outcomes for the residents who live there.

## **2) Reduce Local and Regional Disparities**

Crafting solutions that simultaneously improve outcomes for under-represented communities and build healthy metropolitan regions, thereby significantly decreasing regional disparities.

## **3) Expand Leadership Opportunities**

Reducing barriers to access to tools, knowledge, and resources that can guarantee meaningful civic participation, creating increased opportunities for leadership in engaged, resilient communities.



“Those of us who work every day trying to assess community projects in relation to our particular foundation’s mission and priorities are constantly faced with the imperative to lift up transformational opportunities that will reduce racial disparities. ‘Unlocking the Promise’ gives us a perfect first step to ask new or difficult questions and set aside our bias to fund the familiar, the known, the predictable and instead to look deeply into existing disparities and hold ourselves accountable for rebalancing our investments to better meet the critical needs in important PLACES: low-income neighborhoods and communities of color across the nation.”

– Joanne Walz,  
*Minneapolis Foundation*



# *Four Values Serve as the Foundation for the Three Principles of this Guide:*

## *Fairness, Democracy, Opportunity and Access*

### **Fairness:**

Fairness is a deeply-held value in relationships between people, families, and communities. In using the value of fairness to guide our work, we are required to pose the question, “Who benefits from the growth and development decisions being made?” The more explicitly this question is asked, and the more clearly the answers are stated, and the more difficult it becomes to justify policies that perpetuate unfairness.

### **Democracy:**

Much like fairness, democracy is an irrefutable value. In order to achieve true public participation, it is vital to once again raise the question of “Who benefits?” Unless people who have been traditionally left out of decision making about the use of public resources are included, the outcomes of such processes will tend to reinforce the status quo.

### **Opportunity:**

Growth and development decisions should serve to increase prosperity and opportunity across the board. By explicitly framing development decisions in terms of their presumed purposes based in the widely held values of opportunity and prosperity, leaders can help communities make decisions that create new opportunities for everyone in society.

### **Access:**

By explicitly framing initiatives in terms of increasing or limiting access, foundations can set the terms of debate so that outcomes are designed with recognition of the impact on the poor and those to whom access has previously been denied. Access is the key value for the aspect of land use decisions that most obviously link decisions in one place with effects in neighboring places: mobility, transportation and transit - all are key opportunities to frame growth decisions in ways that will decrease social isolation and, ultimately, increase opportunity.

“The guide is a great tool for both new and experienced grantmakers. It provides a wonderful forum for opening up the dialogue about making communities more livable for this generation and the next.”

– *Elizabeth Lynn,*  
*McCune Foundation*



# *Guidelines for Using Unlocking the Promise*

## **The Intended Audience for the Guide**

The Guide was created for foundation leadership and staff who are interested in improving the impact of their work. With that goal in mind, the Guide was designed to provide a set of basic principles that we hope will ultimately increase a funders' ability to advance issues of fairness, democracy, opportunity and access at all community levels (neighborhood, city, county, etc.).

## **How to use the Guide**

The design was kept simple in an attempt to make the Guide as user-friendly as possible. At the far left of the matrix we have included a set of questions intended to raise consciousness about the various outcomes that could be considered for each of the principles. The rating system across the top of the matrix corresponds with each of the outcomes as they go from “Negative” to “Transformational.”

The Guide includes examples that follow the spectrum starting with proposals that,

when strengthened, evolve from “Negative” to “Transformational.” Please use the set of questions that accompany each principle only as a guideline, keeping in mind that the process of integrating people- and place-based solutions into community development decisions requires that a funder take every program's unique attributes into consideration. While the Guide uses a linear progression to demonstrate the path to what we believe leads to transformational grantmaking, we recognize that not every project/proposal will neatly fit into all of the categories that we have developed. It is our hope that future versions of this Guide will broaden the scope of this initial work.









## About the Examples

We have included examples for each of the principles. We have provided these examples as a way to demonstrate how a concept can be further strengthened by adding additional elements that allow it to evolve from being potentially harmful to a community (negative), to those that can ultimately have “Transformational” effects. These hypothetical examples were created in an attempt to depict progressive and innovative strategies that further advance each of the principles.

## The Difference between “Positive” and “Transformational”

While each of the examples that have been classified as a “Positive” demonstrate exemplary work, we believe that good work can turn into great work, if it is appropriately connected to broader, more regional components. Please keep in mind that the projects used as examples in the “Transformational” category often would require a very sophisticated organization, a combination of diverse partners, and broad community representation. In some cases, these elements may not always be available to prospective grantees that are attempting to do this work. Civic engagement and community participation is challenging work that

requires unique, place-based community building. The point in having these examples is to uplift strategies that present paths to systemic, transformative change.

## Ways to Incorporate this Guide into your Work

This Guide can be used in a variety of ways. Foundations that have an interest in measuring the results of previously funded proposals might find this guide useful in planning future funding priorities. During the beta-testing phase for this Guide, testers saw value in using the Guide as a retrospective analysis tool that could provide greater clarity in the way in which these principles and value can be further incorporated in their work. We also expect the Guide to provide fodder for conversations with prospective grantees regarding possible improvements to proposals or projects, or to help them see opportunities and partnerships of which they might not have originally thought. Ultimately, this Guide could be used as a training resource to help jump-start the thinking that enables funders to better address issues of fairness, democracy, opportunity and access in their grantmaking.

# Proposal Assessment Guide: Principle 1

In the process of integrating people and place into community development decisions, it is imperative that the whole picture be taken into consideration. Revitalizing the physical environment of distressed communities is one of many ingredients to effective people- and place-based strategies.

## EXAMPLE of a proposal that seeks to integrate people- and place- based strategies:

A community development corporation (CDC) seeks to partner with a for-profit developer to build a luxury high-rise building on land that the CDC owns near a transit site.

The community development corporation seeks to develop their land by building a mix of very affordable, market-rate and luxury apartments to increase housing stock in the area.

### QUESTION

### NEGATIVE

### NEUTRAL

How does the project benefit under-represented people?

The project does not explicitly propose strategies which benefit under-represented people in the specific place/region.

The project's strategies only address some of the issues that confront the community. It leaves out additional community benefits such as increased access to employment opportunities.

How does the project connect people and place?

The project removes people from their land or disrupts traditional cultural connections to the place without a plan for mitigating the impacts.

The project seeks to improve socio-economic outcomes for under-represented people without improving the neighborhood/community environment where people live.

How does the project bring value to the entire community?

The outcome of this project will ultimately damage the community's connection to the place.

The project protects and values the place (including natural resources and land); however, it does not address the issues of under-represented people living in or near these places.

How does the project advance a community's access to and from the place?

The result of the project is the exclusive/private use of land resources.

The project strategies promote private use and limited access to public places.

How does the project foster the preservation of places that are important to local people?

The project destroys the natural and built environment, displaces people and destroys a community's history.

The project seeks to increase opportunities for under-represented people without any focus on protecting and improving where they live or increasing the sense of land stewardship.

## Focus on People and Place

Ensuring that a community has access to quality, affordable housing, employment opportunities, healthcare, and with fair education practices and safer streets (well-maintained and less prone to crime, etc.) are essential to a community's transformation.

Understanding the tremendous value of being located near a transit site, the community development corporation seeks to use the lot to build a mixture of housing units. Several of the units will be affordable to people earning substantially below the area median income. Some units will include deed-restricted office space for entrepreneurs and small businesses.

### POSITIVE

The project is designed to benefit under-represented people and connect them to both place-based and more broad-based regional opportunities.

The project explicitly encourages direct connections between under-represented people and a specific place/natural resource.

The project provides greater access for under-represented people to land/place resources than was previously available.

The project strategies promote opportunities and access for learning and connecting experiences linked to one or more specific places.

The project protects a place that is the source of inspiration for a community or group of people.

Recognizing that the community is located on prime real estate, the community development corporation creates a community land trust to ensure future affordability. The project is named after a prominent local civic leader and a community park is designated in front of the building commemorating the community's history and culture. The CDC hires a local construction company with the understanding that 100% of the workforce will live within 10 miles of the site and be paid a living wage.

### TRANSFORMATIONAL

A diverse cross-section of the community (across race, ethnicity and class) commits to ongoing stewardship within a neighborhood, community and, ultimately, throughout an entire region.

This project increases the community/region's overall competitiveness, and recognizes and utilizes the assets of under-represented people/neighborhoods.

This project creates new and effective models for connecting people and place. Additionally, the project promotes interdisciplinary collaboration (such as bringing environmentalists together with urban activists on a common concern such as water availability).

This project provides under-represented people significant additional physical access to a part of their immediate and extended community.

The project significantly increases the involvement of under-represented people in the stewardship of places within or outside of their community while also improving the overall quality of their community and, ultimately, the region as a whole.

# Proposal Assessment Guide: Principle 2

By crafting solutions that simultaneously improve outcomes for under-represented communities and build healthy metropolitan regions, local and regional disparities can be significantly decreased. While bridging a community's economic disparities is an essential piece to expanding financial opportunity, it

## EXAMPLE of a proposal that seeks to reduce local and regional disparities:

A community empowerment organization seeks to create business ownership opportunities in a very low-income community. They plan to work with an international fast-food chain to build a large restaurant and adjacent parking lot.

The community empowerment organization decides that it will not work with the fast-food chain and instead work with a local business owner to expand his supermarket on the location.

### QUESTION

### NEGATIVE

### NEUTRAL

How does the project address local and regional barriers to opportunity?

The project may add to a current economic, social, political or racial disparity that exists in the community.

The project proposes strategies to correct economic, environmental and social inequities for a specific community.

How does the project address racial and class barriers to opportunity?

The project does not address issues of race and class as barriers to opportunity.

The project addresses issues of race and class, but does not relate them to decisions regarding growth and development.

How does the project address geographic barriers to opportunity?

The project may reduce access, for example, by eliminating a local transportation program that took residents to local markets and services.

The project seeks to decrease the physical isolation of poor people in a community.

How does the project address economic barriers to opportunity?

The project's primary beneficiaries are middle- and upper-income people.

The project has an analysis of the existence of and strategies to address community economic barriers.

How does the project address institutional barriers to opportunity?

The project does not address traditional barriers between community residents and local institutions or promote increased institutional access for low-income people.

The project has an analysis (historical, cultural, social, and political) of the institutional barriers facing low-income people and an understanding of community-based institutional assets.

# Reduce Local and Regional Disparities

is essential that racial and social inequities be equally addressed in order to transform communities into more vibrant, equitable and inclusive places with fair education practices and safer streets (well-maintained and less prone to crime, etc.).

While helping the supermarket, the community empowerment organization partners with the local chamber of commerce to develop storefront opportunities for community entrepreneurs. Additionally, they plan to connect local farmers to the project by providing them with market space in a newly-created community market place.

The community empowerment agency develops a multi-purpose building that will house a community resource center, a restaurant and affordable commercial storefront opportunities for community entrepreneurs. The restaurant will serve as an income-generating catering program for at-risk youth to learn employment skills and gain work experience. The building's surrounding green space will be developed in collaboration with the state and local government to provide farmers with financial incentives to bring their crops into the "home grown" marketplace.

## POSITIVE

The project proposes strategies to correct economic, environmental and social inequities across several communities.

This project proposes strategies to advance economic opportunities for under-represented people across several communities.

The project has strategies to build relationships and partnerships between local and regional groups dedicated to environmental, social and racial justice.

The project proposes to significantly increase the strength of community economic assets and strategies to connect local residents to regional opportunities.

This project promotes institutional changes at the community and/or regional-level which have widespread beneficial impacts that enhance fairness.

## TRANSFORMATIONAL

The project proposes strategies to correct economic, environmental and social inequities throughout the region. Furthermore, it is strengthened by a variety of partners and stakeholders furthering institutional and/or regional reform.

This project proposes strategies to provide additional economic opportunities for under-represented people throughout the region.

The project has a strategy and plan for decreasing the geographic concentration of poverty throughout a region.

The project seeks to significantly advance economic opportunity for the entire region and is committed to building local assets in every community.

This project promotes institutional changes at the local and regional level that have widespread and lasting beneficial impacts that reduce local and regional disparities.



# Proposal Assessment Guide: Principle 3

Ensuring that there is access to the tools, knowledge, and resources that can guarantee meaningful civic participation and leadership resulting in more leadership opportunities. While reviewing proposals that seek to address barriers to leadership development, it is important to keep in mind that expanding

**EXAMPLE**  
of a proposal that seeks to expand leadership opportunities:

A community leadership project seeks to build a community advisory board in a poor inner-city neighborhood. The project plans to raise matching funds by charging for a place at the table to any interested board candidates.

The community leadership project seeks to fill the community advisory board by posting an announcement in the local newspaper.

## QUESTION

## NEGATIVE

## NEUTRAL

**How does the project address barriers to leadership development and opportunities?**

The project does not address traditional barriers between community residents and local institutions, nor does it promote increased institutional access for under-represented people and communities of color to become leaders.

The project does not propose strategies which increase access to local and regional leadership opportunities.

**How does the project increase access to leadership development and opportunities?**

The project further empowers the status quo, thus heightening issues of race and class as barriers to leadership development.

The project strategies do not explicitly address race and class disparities, but do recognize a need for a more inclusive leadership structure

**How does the project cultivate new leaders from under-represented communities?**

The project may actually decrease leadership opportunities for under-represented residents.

The project does not address its potential impact on the development of new leaders specifically in under-represented communities.

**How does the project increase the ability of under-represented communities to have an active role in the decision making process?**

The project does not foster any leadership development opportunities for community members outside of the existing status quo.

The project acknowledges the need for establishing diversified leadership especially for under-represented residents.

# Expand Leadership Opportunities

leadership is ultimately about increasing power and opportunity. Making sure that under-represented constituencies have an active place at the table and are provided decision-making authority can lead to transformational change.

The community leadership project plans to advertise board positions through all local media outlets, as well as going door-to-door to local churches, senior centers and schools to recruit a broad range of participants. The program will pay a stipend at the end of the six-month leadership training.

The community leadership project develops a class of leaders. Program participants and program staff work together to develop a “plan” to improve something within their community that will benefit people and place. Additionally, the nonprofit partners work with the local government to create a pipeline for their local leaders to become members of resident advocacy boards and government committees (i.e. code enforcement boards, transportation planning boards, and zoning councils).

## POSITIVE

The project proposes strategies that uplift leaders from under-represented communities.

The project addresses issues of justice, race, class and privilege as a defining piece in leadership development.

The project does not identify strategies specifically to increase leadership development opportunities in under-represented communities, but it could be one of the results. The desire to address the development of leaders exists, but no specific plan is in place.

The project has an analysis of and strategies to address barriers as they pertain to leadership development and decision making in under-represented neighborhoods.

## TRANSFORMATIONAL

The project clearly addresses the need for leadership development in communities of color and in poor, underserved areas. Furthermore, it identifies both short- and long-term strategies to provide leadership opportunities and expand the leadership base.

The project focuses on providing additional opportunities for racial minority groups and low-income people to access leadership opportunities. It also identifies strategies that will further develop and connect leaders across a broad range of growth and development issues such as land use and transportation planning, infrastructure funding decision-making, and zoning.

The project has strategies that build relationships and partnerships between local and regional groups in an effort to cultivate new leadership in under-represented communities. Furthermore, the project has developed a strategy and a plan for long-term sustainability that will increase the number of leaders specifically coming from under-represented communities.

The project seeks to significantly advance leadership opportunity for the entire region, and is committed to building accessible local and regional leadership opportunities by connecting people to government boards and civic leadership at the local, regional and state level.

**Funders' Network for Smart Growth and Livable Communities:**

The mission of the Funders' Network for Smart Growth and Livable Communities is to inspire, strengthen, and expand philanthropic leadership and funders' abilities to support organizations working to improve communities through better development decisions and growth policies.

**People, Opportunity and Place (POP) Working Group:**

A working group of national and place-based funders that lead the Network's ongoing commitment to incorporate issues of fairness, democracy, opportunity, and access in all of TFN's programmatic areas. The Working Group focuses on issues of race, class and opportunity in the context of growth and development. POP evolved from the former Regional and Neighborhood Equity Project (RNEP), which was the Network's inaugural program activity. Today POP provides a space where a cross-section of members come together to learn from one another, share experiences and further enhance this necessary work throughout the field of philanthropy.

**To learn more about the People, Opportunity and Place Working Group, please contact:**

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