COMMUNITY INVESTMENTS

Federal Reserve Bank of San Francisco

Collective Action for Community Development

CI Notebook

By John Moon

I t's not surprising that the idea of collective action has gained rapid interest and followers recently. The framework, which seeks to produce true alignment of purpose across related sectors working on social, economic, and environmental challenges, offers a great deal of promise for making significant improvements in the life chances for disadvantaged populations.

While it may seem intuitive that a collective approach is a good bet for addressing interrelated challenges facing the communities we work in, it is not a natural model for most stakeholders who undertake it. In many ways collective action goes against the grain of institutional, cultural, and economic norms: moving from competing for resources to sharing them; shifting from outputs to outcomes with heightened accountability; shifting from technical approaches to adaptive and evolving ones; and funding a process or new infrastructure rather than individual programs. Quickly, participants enter uncharted waters and look for a map to navigate their initiative successfully. As vision and momentum are built, these initiatives take off and promptly the notion of "building the plane as you're flying it" becomes a reality.

This issue of *Community Investments* explores this emerging approach and lifts up early learnings from pioneers in the field. We find out how government can be a catalyst for creating a wide stakeholder table on sustainable and equitable development goals. We learn from organizations that have assisted with the formation of these initiatives and draw out insightful principles to organize and implement these initiatives. We spend some time understanding the critical role of data and measurement and how they help to define and refine the initiative. While these initiatives are still taking shape across the country, we welcome the potential of collective action as a bold approach to bringing about innovation and wide-scale systems change in and for low-income communities.

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In this Issue

Embracing a Collective Action Approach to Community Development

By Gabriella Chiarenza, Editor, *Community Investments*, Federal Reserve Bank of San Francis

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T hough there have been notable exceptions, initiatives within the community development field historically have focused largely on sector-specific approaches such as housing or asset building, with less dedicated attention paid to how one specific project might interact with other distinct efforts tackling a given community's challenges. Community development practitioners have thus worked in parallel within the confines of their individual areas of expertise, bound by organizational and financial structures that have limited cross-sector work. In many cases, traditional funding sources have been tied to success on narrowly-defined numeric objectives – building a certain number of housing units, for example, or financing a certain number of small businesses – and different sectors within the community development field often have had to compete with one another for limited capital, seeing one another as competitors rather than collaborators.

Yet the social, economic, and physical infrastructure issues disadvantaged communities face are complex, and addressing one element of a community's struggle in a vacuum does not get to the heart of the many interconnected challenges residents may grapple with around education, health, transportation, wealth-building, and workforce development, among others. For instance, an approach that narrowly focuses on job placement can have a profound impact, but it does not necessarily tackle the deeper community issues that made it difficult for an individual to find work to begin with. A poor educational system may have precluded someone from developing marketable skills, or perhaps an inability to affordably live close to job-rich areas, reliable transportation, or accessible child care impacted that person's ability to find and maintain employment. For many lower-income and underserved communities across the country we have seen that a combination of these factors routinely plays a role, collectively contributing to cycles of poverty and inhibiting improvement for residents and their neighborhoods.

Realizing that disconnected silo-based efforts cannot effectively address these interrelated conditions on their own, innovators within the community development field have increasingly experimented with a different approach that speaks to these linked community challenges. In this emerging approach, professionals from different but related community development sectors work together in a multi-sector coalition toward a common goal with an aim to holistically improve conditions for a group of people, neighborhood, or region. To do this effectively requires an intentional, highly organized, and connected network of flexible cross-sector activities on the ground that are able to respond to changes within both the community and the initiative over time, and the leadership of a core group responsible for moving this network forward toward its comprehensive goal. This approach is referred to as cross-sector community development, collective action, systems-level change, or collective impact, among other names.

What does this model look like in practice? One example of a successful cross-sector partnership is the Purpose Built Communities initiative in East Lake, a neighborhood in Atlanta, GA. East Lake struggled with high unemployment and crime levels, severely dilapidated housing, and poor health and educational conditions. The East Lake initiative took on these issues collectively with a cross-sector approach, working toward its goal to connect and strengthen the neighborhood through multiple avenues including building quality mixed-income housing, introducing a "cradle-to-college" independent educational system, and offering a range of community wellness programs. A new organization, the East Lake Foundation,

was established to manage and facilitate the initiative and coordinate all of the diverse practitioners and participants involved in the cross-sector work. Since its inception in 1995, the East Lake initiative has seen strong successes across its goals: violent crime has been reduced by 90 percent, high school graduation rates have increased from less than 30 percent to 78 percent of students, and fully 100 percent of the adults living in assisted housing in the neighborhood are now employed or in training, a vast improvement over the previous 13 percent.[1]

The East Lake Foundation is an example of a key component of cross-sector community development known as the community "quarterback." In the recent book *Investing in What Works for America's Communities,* the Federal Reserve Bank of San Francisco's David Erickson, Ian Galloway, and Naomi Cytron define such a community quarterback as an entity that serves "in a coordinating role, managing a diverse coalition of players in order to achieve community betterment."[2] A community quarterback may function as an organizer and navigator toward the shared goal of a cross-sector initiative in many ways, which could include articulating the goal itself, establishing shared metrics, bringing together knowledgeable allies and financial resources, and facilitating the work of an initiative's many community partners. In this model, the quarterback knits together the diverse abilities of formerly siloed community development sectors, creating a powerful integrated initiative.

Another view of this kind of community development springs from an oft-cited *Stanford Social Innovation Review* article by FSG's John Kania and Mark Kramer that defines the principles of the "collective impact" approach. This model illustrates how practitioners from a wide spectrum of community development sectors can come together behind a shared vision to work toward a common goal. Kania and Kramer introduced five key elements that are important for successful collective impact initiatives: a common agenda, a shared measurement system, the mutually reinforcing activities of initiative participants, continuous communication among participants, and backbone support from a separate, designated organization that coordinates the larger initiative.[3] These "Conditions of Collective Impact" are in play in a wide range of collective impact efforts across the country.

Indeed, there are many ways to think about collective action work in the community development field. In the following articles, the authors describe several other approaches to this kind of cross-sector work around a common goal, emphasizing key elements that are central to effective initiatives and presenting examples of what these initiatives look like in practice. Alison Gold discusses the importance of placing strong leadership at the heart of collective impact initiatives, how to choose

the right individuals to compose such a core leadership group, and in what ways this leadership can help guide and manage the initiative. David Phillips and Jennifer Splansky Juster elaborate on the critical role of well-designed working groups within collective impact initiative networks and the importance of their efforts on the ground in communities. Moira Inkelas and Patricia Bowie expand on the ways in which data and measurement inform and focus cross-sector work. Dwayne Marsh discusses the Sustainable Communities Initiative, a federal cross-sector program that is helping communities build strong collective action partnerships that can work collaboratively toward local goals. Finally, Heather McLeod Grant presents the story of a new California initiative that brings together housing, transportation, and energy practitioners into a strong cross-sector network, working toward a shared goal to reduce overall costs on these three fronts for low-income Californians.

As all of these stories will illustrate, collective action is pioneering work, and we are still building a body of knowledge about what it takes to make these efforts thrive. What we know already is that this kind of community development model requires special consideration of structures and roles. The very scope and scale of these multipronged initiatives can inhibit their effectiveness, and without a shared common agenda along with strong and adaptive leadership to guide the initiative through trials and successes, these large efforts quickly may become chaotic. Clearly defined participant roles and a form of governance for strategy development and decision-making can help participant engagement and minimize unproductive internal competition. It is also important to ensure that funders understand and embrace the unique design of the initiative, and the necessity to make a significant mindset shift from funding programs to supporting a "process" that is designed to create this working table of stakeholders. Most of all, demonstrating on-the-ground progress and results around shared goals is a critical factor in keeping commitment and belief alive in the collective action initiative.

The following articles in this issue of *Community Investments* demonstrate that there is no one "right way" to design and launch a cross-sector initiative and, accordingly, there is no one-size-fits-all template to ensure success. Different communities will have varied priorities and resource capacities, which an initiative must take into account in establishing its goals and activities. However, when initiatives are well-tailored to the community or population they serve and their internal infrastructure is both strong and adaptable to change, collective community development efforts have the power to bring about holistic change with a breadth and connectivity that few single-sector efforts have been able to realize on their own. **CI**

How Do You Build the "Right" Cross-Sector Partnership to Implement Collective Impact Approaches?

By Alison Gold, Living Cities

Introduction

America's cities are engines for national prosperity and individual economic opportunity for all people. However, the systems designed to support these results were built in a different era, on now outdated assumptions, and have not adapted to the changing social, technological, economic, and political forces of the world today. In attempting to address some of resulting inequalities and disparities that certain segments of the population face, institutions and individuals have long focused on technical solutions like job training programs, and fixing up buildings. However, these approaches do not prevent inequality; they only treat its symptoms.

Living Cities, a philanthropic collaborative made up of 22 of the world's largest foundations and financial institutions working together to improve the lives of low-income people and the cities in which they live, believes that there is better way. We believe that in order to achieve different results, we need to transform systems that currently produce opportunity for some into systems that produce opportunity for all.

How do you change a system? We don't yet know! But one hypothesis that we're testing through our grants, investments, research, and networks is that a cross-sector partnership working collectively to address a complex

social problem can change a system. We think that the innovative aspect of the collective impact approach – which emphasizes principles such as alignment of disparate actors toward a common agenda, shared measurement, and carefully structured leadership and communication strategies – is in who is applying it (a cross-sector partnership) and what it is being applied to (complex social problem).

In articulating and testing this hypothesis, we have realized that there is a big assumption among funders, ourselves included, that local leaders know how to build high-impact cross-sector partnerships and do the hard work of collaboration and continuous improvement. In our own funding portfolio, however, which includes cross-sector initiatives like the five-city Integration Initiative and the StriveTogether national network, we have seen how smart and committed leaders struggle to build partnerships even where there is trust, resilience, and an ongoing commitment to problem-solving.

We cannot provide readers with a recipe that will yield the ideal cross-sector partnership because the "right" partnership depends on the context and intended result. Yet based on what we are seeing with our own grantees and partners, we believe it is valuable to have a greater understanding of cross-sector partnerships so that practitioners, participants, and funders have a systematic method and shared language to reflect on whether their partnerships are structured to achieve their intended goals. This led us to ask the question, what does it take to build the "right" cross-sector partnership to implement the principles of collective impact?

Building a Better Cross-Sector Partnership

The term cross-sector partnership is often used to describe an array of activities involving representatives from multiple sectors. Such efforts range from events and one-time projects, to government-appointed commissions and ongoing programs, as well as alliances of stakeholders working in new ways to address complex social and economic challenges. These diverse activities have all been labeled with the term "cross-sector partnership" not because they share strategies or goals, but rather because of who is involved with them: representatives from two or more sectors including business, government, nonprofits, philanthropy, labor, and/or communities.

Figure 1: Interest-Based Frame of a Cross-Sector Parnership with a Goal of 99% Labor Force Employment

Business visualized twice to illustrate all connections.
Source: Living Cities

In doing this work, we had the epiphany that this view of cross-sector partnerships is problematic because it does not recognize the variability contained within each sector. For instance, lumping all types of business together assumes homogeneity between the interests of organizations that range from small local businesses to large international corporations. This simply is not true.

We've identified a different way to think about the membership of cross-sector partnerships, which we call the interest-based frame. Instead of thinking about these efforts as alliances of organizations that require representation from different sectors, they should be thought of as alliances of organizations that together have a role in solving a problem and achieving a shared goal.

What would an example of the interest-based approach to cross-sector partnerships look like? In the example shown in figure 1, the cross-sector partnership is made up of members working toward the goal that 90 percent of their region's labor force will be gainfully employed in 10 years.

The interest-based frame highlights the reality that virtually all sectors have multiple interests when it comes to solving complex social and economic challenges. It reveals that depending on its goals, a partnership may require multiple representatives from any one sector who are involved with and can speak to different parts of the work—for example policymaking, practices, or funding. In addition, this approach helps partnership members understand their roles and bring their expertise to the table, while preventing individuals from feeling like they have to represent the viewpoint of an entire sector.

Over the last two and a half years Living Cities has been learning with and from a small group of high-performing cross-sector partnerships. Based on their experiences and input, as well as that of more than 30 other funders and practitioners, Living Cities developed *What Barriers? Insights from Solving Problems through Cross-Sector Partnerships,* a publication offering a strategic framework for cross-sector partnerships including discussion of the traits that make up a strong foundation, factors that influence success, and behaviors of high-impact efforts.[1] In that spirit, here are seven things that we are learning about building the "right" cross-sector partnerships to implement the principles of collective impact.

1. Name a Specific and Measurable Result

Cross-sector partnerships working on a shared agenda are most effective when they can articulate a specific result, which states a clear outcome or set of outcomes to be achieved. This type of result communicates what success will look like for the partnership and can serve as a foundation for organizing data collection, measuring progress and ensuring accountability.

For example, the Baltimore Integration Partnership (BIP) has named the specific result of reconnecting low-income Baltimore City residents in three targeted predominantly African- American neighborhoods to the regional economy. The BIP used data to identify its target population and as a foundation for measuring progress toward their specified result.

2. Change the System

For decades, social change efforts have focused their level of intervention on program and project delivery. While these approaches have had significant impacts on individuals and communities, they have not been sufficient to solve our most intractable problems, such as poverty. A cross-sector partnership implementing the principles of collective impact is by definition focused on changing a system, as its aim is to intervene and reorient the set of behaviors, interactions, projects and programs in an existing system (or systems) in order to produce a different, enduring, and large-scale result.

For instance, the Newark Integration Initiative (NII) uses collective impact strategies to address the unhealthy living conditions that affect how Newark's low-income children learn. Its cross-sector partnership works to coordinate policy, data and investments to create healthy housing and food options as well as access to health care, ultimately to improve student educational achievement. When asked what advice she would give to other cross-sector partnerships based on her experience, NII project director Monique Baptiste-Good responded, "it is important that the table establishes a shared purpose, not just serve as a space to validate any one singular institutional agenda. For collective impact to be effective, no one organization or institution owns the work. The purpose of the partnership table should also be to challenge norms and come to new understandings."

The partners in NII have been able to reach consensus on the results they are trying to produce and agree that systems change is required to produce those results. However, they have struggled to make further progress on other elements important to successful systems change. Despite months of meetings, partners have not been able to come to an agreement on shared measurable indicators of progress or an accountability structure that gives grassroots organizations equal leverage as larger public institutions such as public schools, highlighting the difficulty in moving from theory to action.

3. Engage the "Right" Representatives

The ability of a collective impact effort to make progress toward its result is interconnected with the stature and power of individuals within their own organizations and communities who are serving as representatives to the

Figure 2: Trust Building & Maintenance Cycle

Forming is the stage when partners first come together. It has been described as the 'honeymoon' period for a partnership because it is when partners are excited about the newness and potential of the effort.

Storming is when partnership members stop being polite and start getting real. This might involve airing fundamental differences of opinion and approach among partners, struggling to figure out objectives, roles, and leadership in the partnership and also feeling threatened by working with partners who you don't know, don't trust or view as competitors.

Performing is when the partnership reaches a steady state where it can do the work it needs to do to achieve its intended goals.

Norming is the stage when roles and partner conflicts are sorted out and the partnership's focus turns towards the work. Objectives and rules of engagement get clearer; a sense of partnership identity forms, and conflict moves from among partners to between the partners as a group and the problems they are trying to solve (ie us vs. us to us vs. them).

Source: Living Cities

cross-sector partnership. We've identified three different types of representatives: designees, individuals who represent the organization or community, but do not have decision-making or implementation powers within their organization or community; doers, individuals who are responsible for implementing changes to behaviors and strategies in their organization or community, but lack the formal authority to mandate them; and decision-makers, individuals who have the authority or influence in their organization or community to require that it change its behaviors and strategies. We're learning that it's important for collective impact efforts to engage all three types of representatives.

For instance, in the Minneapolis / St. Paul metro, the Corridors of Opportunity (COO) is an initiative that takes a collective impact approach toward supporting economic growth for the region as a whole, while unlocking opportunities for those with the greatest need. COO has representatives ranging from the mayors and deputy mayors of Minneapolis and St. Paul and County and State Commissioners (decision-makers), to staff members from the organizations involved with the work (doers) and community members (designees).
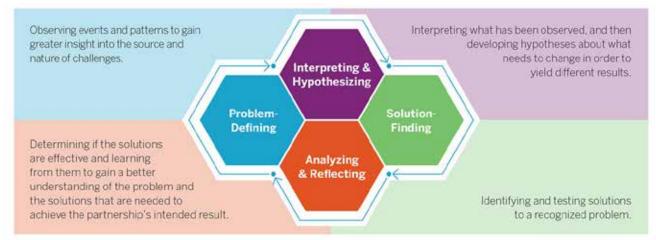
4. Build the "Right" Structure

In order to implement the principles of collective impact, there's no doubt that it is important to engage all types of representatives. It is also necessary to recognize the differences in power, authority, and knowledge that that different types of representatives bring to the process. This requires the partnership's structure to create differentiated ways for the representatives to participate. We've observed that collective impact efforts seem to be showing greater progress when they build formal structures that outline specific roles for each partner and clarify the ways that each partner is accountable to one another. Formal structures are codified through tools like operating documents, memoranda of understanding, contracts, or other documentation.

Since a cross-sector partnership's representatives and structure are so interrelated, we'll also ground this idea in the example of the Corridors of Opportunity initiative. In order to engage representatives with as wide a range of power, authority, knowledge, and perspectives as elected officials and community members have, the COO has developed a formal structure with many components. It includes a policy board made up of decision-makers and a senior staff group composed of doers who work for the members of the policy board. Specialized workgroups implement key parts of the initiative; for instance, local government staff and lenders lead efforts to fund transit-oriented development. A community engagement team includes a network of community-based organizations that engage diverse and underrepresented populations, and incorporates their ideas in the planning process through channels set up to ensure their perspectives reach the doers and decision-makers.

Figure 3: Problem-Solving Cycle

Observing events and patterns to gain greater insight into the source and nature of challenges.

Interpreting what has been observed, and then developing hypotheses about what needs to change in order to yield different results.

Interpreting & Hypothesizing

Problem-Defining

Solution-Finding

Analyzing & Reflecting

Determining if the solutions are effective and learning from them to gain a better understanding of the problem and the solutions that are needed to achieve the partnership's intended result.

Identifying and testing solutions to a recognized problem.

Source: Living Cities

5. Embrace a "Thinking and Doing" Charge

In the cross-sector partnerships that Living Cities has funded and assessed in this research, the initiatives that are beginning to demonstrate impact in changing systems are those that view their charge as thinking-and-doing. Partnerships with a thinking-and-doing charge recognize that there is no set formula for changing a complex system to produce a different result, because even if it has been done elsewhere, systems are context-dependent. Recognizing this reality enables partners to embrace their charge to develop a course of action through learning and experimentation.

The Detroit Corridor Initiative (DCI – formerly the Woodward Corridor Initiative), is facing a unique challenge in trying to redensify the urban core of a city that has lost nearly 60% of its population. There is no model or best practice to look to, but a thinking-and-doing approach allows them to experiment with multiple courses of action. The DCI has worked to streamline business licensing in city government and build and redevelop commercial and residential properties. It has created an incentive program to attract residents to buy and rent in targeted neighborhoods and launched an innovative investment vehicle that ensures redevelopment projects are possible despite weak market constraints. The DCI is using this range of projects and programs to identify the necessary levers to change systems in Detroit that have long thwarted reform and have created concentrated poverty in pockets throughout the city.

6. Trust is Imperative

Trust is an important and underestimated ingredient to making a cross-sector partnership work. If members of a cross-sector partnership do not believe in the reliability, truth, ability, or strength of their partners as well as the partnership itself, it is very difficult to achieve the partnership's intended goals.

Through our investments and research we're learning that Tuckman's Group Development Model[2] — outlined in Figure 2—is extremely applicable to cross-sector partnerships because it articulates the stages that a partnership and its representatives need to go through in order to build and maintain trust, a necessary ingredient for being able to collaborate and implement the principles of collective impact.

In our research and grantee portfolio, we've observed that there's a common trap that partnerships fall into relating to trust: they try to go straight from forming to performing. This research has also revealed that undertaking the storming and norming processes actually leads to performing sooner and more effectively than if you skip from forming to performing – a phenomenon we call the form-perform paradox. If you skip the storming and norming, the phases that establish trust and boundaries and clarity and consensus, it's very difficult to perform successfully. Addressing conflict and building trust—while difficult—are necessary prerequisites to being able to implement the work.

7. Always be Problem-solving

Similar to building and maintaining trust, problem-solving is a necessary behavior that cross-sector partnerships must practice to advance their work. Based on our observations, we believe that partnerships implementing the principles of collective impact need to engage strongly with all the stages of problem-solving as described in Figure 3: problem-defining, interpreting & hypothesizing, solution-finding, and analyzing & reflecting.

In reality, though, we've observed that almost all partnerships are strong in some stages of the cycle and weaker

in others. The tough work that the partnership has to do is to build its muscles and practices so that it is able to exhibit all the problem-solving cycle behaviors strongly.

One pattern we've observed in all types of cross-sector partnerships is weak "analyzing & reflecting" behaviors. It seems that relatively few partnerships have applied their time and intellectual rigor to determining if solutions are effective and, if so, how they can be improved and how that insight feeds back into their understanding of the problem they are trying to address. This behavior is imperative for the work of cross-sector partnerships implementing the principles of collective impact, because analyzing and reflecting are the foundation for continuous improvement.

Conclusion

At Living Cities, our hope is that our work on cross-sector partnerships is just the beginning of the conversation, and that more learning that needs to take place to advance collective approaches for addressing some of the toughest challenges low-income people in America face today. We also recognize that many of these ideas are not new, and a significant number of partnerships have utilized some or all of these traits in structuring their own efforts.

"Addressing conflict and building trust are necessary prerequisites to being able to implement the work"

Overall, we aim to spur greater openness and learning about what has worked with cross-sector partnerships and, of equal importance, what has not. Part of this involves "turning up the heat" and challenging participants and funders engaged in this work to think deeply about when it is effective to work collectively, and when it might make sense to use limited resources for other kinds of approaches for the challenges at hand. We believe that learning and problem-solving are open processes, and that by approaching them this way, the social change field can achieve better results more quickly. Through continued experimentation and collaboration, we hope to evolve and refine these ideas, and identify and develop resources needed by all of us working to achieve measurable impact in the communities we serve. **CI**

Committing to Collective Impact:
From Vision to Implementation

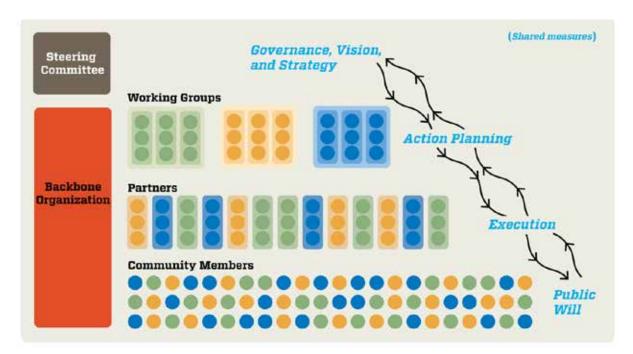By David Phillips, FSG and Jennifer Splansky Juster, FSG and Collective Impact Forum

What do you think about first dates? Do they make you nervous? Excited? Unsure? If your days of first dates are over, do you look back on them fondly? Regardless of what you think about first dates, most people would agree that first dates take some courage, but there's not much pressure to commit. You can always say "no thanks" and part ways without much fuss, and at worst you endure an hour of bad conversation about your date's upcoming fantasy football playoffs or the most recent episode of *Dancing with the Stars*.

But what about the fourth or fifth date? That's when it gets interesting. These dates start to mean something. "Does the other person really like me? Do we have a real connection? Can I see myself making it to date 10, 20,

or beyond with this person?" It's relatively easy to go on a first date, but as things get more serious, you have to commit and make decisions together.

This dating analogy provides us with a good mental model for the transition that collective impact initiatives make as they evolve from the visioning phase to implementation phase. As with mustering up the courage to go on a first date, bringing cross-sector leaders to the table to agree upon a shared vision and embark on a collective impact initiative is a brave first step that is often very difficult. But moving from visioning to implementation, much like going on a fourth or fifth date, is when leaders must commit to sustained action. FSG frequently fields questions about this transition and in this article, we discuss how collective impact initiatives have effectively transi-

Figure 1. Common Agenda

tioned beyond the initial steps of building a steering committee and establishing a common agenda to creating an infrastructure that can discover and execute strategies that lead to positive, sustained change. In collective impact, that infrastructure involves working groups, which use the initiative's common agenda to further define and execute strategies. We will explain the key considerations when determining which working groups to create, when to launch working groups, how to choose group members best positioned for and suited to the tasks at hand, and how working groups can succeed in their first six months.

It is important to recognize that the context of each collective impact initiative is unique due to the nature of relationships, policies, norms and other factors involved and this context will strongly influence the sequence in which each initiative unfolds. To that end, we encourage readers to view this article as a guide rather than an exact recipe for how collective impact practitioners can transition from vision to implementation.

The Role of Working Groups within the Collective Impact Infrastructure

Working groups are at the heart of how high-level visioning and strategic planning turn into specific strategies and projects (see Figure 1 for a representative collective impact infrastructure). Once the initiative's steering committee has created a common agenda and high-level framework for addressing the specific social problem, a variety of working groups gather around individual key elements of that broader plan. As Fay Hanleybrown, John

Kania, and Mark Kramer note, "the real work of the collective impact initiative takes place in these targeted groups through a continuous process of 'planning and doing,' grounded in constant evidence-based feedback around what is or is not working."[1] Working group members meet regularly to review data and discuss their progress with one another. Working groups also share this information with and learn from the steering committee, backbone, and other working groups as needed. Through these discussions, the working groups can adjust strategies and create action plans to bring those strategies to life.

For example, within Communities That Care Coalition, a collective impact initiative in western Massachusetts aiming to reduce youth substance abuse, there are three working groups focused on parent education, youth recognition, and community laws and norms, as well as a school health task force.[2] These working groups meet monthly to review data such as arrest records for controlled substances, hospital visits from substance-related injuries, and an annual teen health survey. Working groups then implement strategies such as conducting alcohol purchase surveys, conducting compliance checks of alcohol vendors, modifying town ordinances to require restaurant server training, creating social marketing campaigns, and promoting youth recognition by parents.

How do collective impact initiatives decide which working groups to create? In our experience, determining the optimal working group structure (i.e., which ones to form, how many to form, the sequence in which they are rolled out, and who to recruit as members) is both a

science and an art. While the working group structure may evolve over time, having a clear structure at the beginning is important for moving from vision to implementation.

The Science of Determining a Working Group Structure

The problems that collective impact initiatives address are urgent, and it may be tempting to create working groups as quickly as possible. However, a critical precedent to deciding on a working group structure is the creation of a common agenda, which in most cases takes many months to develop. A common agenda includes a shared vision for change, a common understanding of the problem (drawing initial boundaries around what is in/out of scope), clear and measurable goals, and high-level strategies (i.e., a strategic action framework to achieve those goals). Without a thoroughly-discussed and rigorously-researched common agenda, initiative leaders will struggle to determine where to focus working group resources. There are two inputs into the common agenda that are particularly helpful for determining working group structure: defining and scoping the problem, and assessing the existing landscape.

Defining and Scoping the Problem

A common understanding of the problem that the initiative is working to address often requires analysis of existing quantitative data (such as graduation rates or the number of asthma attacks in a geography), and a qualitative assessment of the problem ideally informed by interviews with key community stakeholders, including those affected by the problem as well as those in formal positions of authority. For example, in FSG's work to improve college readiness and success in the Rio Grande Valley (RGV), we aggregated public and privately-held data to analyze the drop-off points in a student's academic journey from high school to career (see Figure 2). This analysis was critical in both understanding the scope of the problem – only 19% of entering 7th graders will obtain an on-time college credential – as well as where in the educational pipeline particular attention was most needed. For example, leaders in the region were well aware of the poor high school dropout rate. Yet through analyzing the data, leaders saw that an even larger number of students graduate from high school but never enroll in college, and that this transition point between high school and postsecondary institutions is comparatively under-resourced
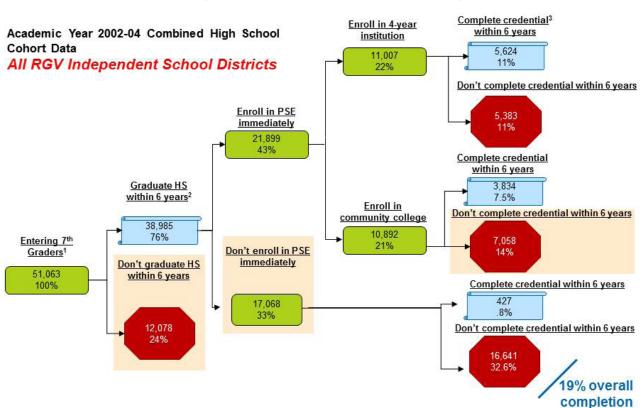
Figure 2. "Drop-Off" Points Along the RGV Educational Pipeline

Notes: (1) Three separate 7th grade cohorts were combined using AEIS data to be able to link to THECB publicly available combined cohort data; (2) Data beginning at the HS graduation level uses publicly available THECB combined cohort date; (3) "Credential" refers to either a one- or two-year Certificate, an Associate, or Baccalaureate degrees; Community college includes both 2 year community colleges and technical schools
Source: FSG Analysis; Academic Excellence Indicator System, Texas Education Agency, 1995-97 combined 7th grade enrollment; THECB; High School Students Who Completed Bachelor's Degrees within Six Years of HS Graduation AY 2002-2004 Combined Cohort

because it falls between traditional systems. As a result, the RGV FOCUS initiative has made the high school-to-college transition one of the principal focal points of its work by dedicating one working group to the goal that "Students Successfully Transition between High School and Postsecondary" (the two other working groups are "Students Graduate High School Ready" and "Students Attain a Degree or Credential with Labor Market Value").

Assessing the Existing Landscape

Analysis of "the problem" should be complemented by an assessment of the existing organizations, collaborations, and structural elements (e.g., other sectors, the public policy landscape) that have the potential to play roles in the effort. Collective impact is fundamentally not about creating a whole new initiative, but rather connecting and strengthening existing efforts and filling gaps. Therefore, deeply understanding the existing landscape is critical in all stages of collective impact, especially before creating a working group structure. The output of this landscape assessment could range from a simple list and description of the above elements, or it could be a more sophisticated "system map" that visually depicts the relationships between the various elements. Regardless of the format, the goal is to identify current work that can be built upon. There are many ways that working groups can build on current efforts: the initiative could "outsource" working groups to existing collaboratives, connect new members or otherwise provide backbone support to the existing collaboratives, or even combine existing collaboratives under one umbrella.

The Art of Determining a Working Group Structure

Using data to understand the problem and identifying existing players helps identify the highest areas of need and most critical leverage points. To complement these analyses, collective impact leaders must also sense the momentum and relationships among key players at the grassroots, grass tops, and political leadership levels.

Sensing Where the Energy Is

We often advise initiatives to create working groups where data suggest there is a critical need, but also in areas that build on existing momentum. However, both of these conditions may not be simultaneously available to collective impact initiatives in the early stages. If it is unclear where to begin, our FSG colleague John Kania is fond of saying, "go where the energy is." This does not mean that efforts should avoid the big, thorny areas. It simply means that collective impact efforts can build their credibility in the early phases by strengthening relationships, demonstrating quick wins through working group activity, and building the muscle memory to tackle thornier issues down the road.

One example of sensing and building on momentum comes from Cincinnati. United Way of Greater Cincinnati's "Success by 6" is an early childhood development collective impact initiative that aims to meet the developmental needs of young children by raising awareness, advocating for resources and funding, and ensuring high-quality programs. Success by 6's work started in 2002, and shortly thereafter the Strive Partnership, the well-known and successful cradle-to-career initiative, came online. Recognizing that each collaborative was tackling complementary parts of the education pipeline, Strive adopted Success by 6's goals for early childhood, and the two collaboratives work closely together to this day in areas such as analyzing data and building the capacity of others to interpret that data.

One can easily imagine different scenarios in which momentum could steer an initiative away from a particular area where conditions might not be ideal for the initiative to take hold. An initiative to reduce obesity could be hampered by a wave of hospital mergers and divestures that was causing uncertainty amongst the entire healthcare community. A workforce development initiative could be derailed by recent legislation causing trust levels between local government and business to fall to an all-time low. Each of these cases presents both opportunities and risks, and whether to create working groups in an area in spite of some negative momentum is a judgment call by leaders who have a deep understanding of the context.

Finding the Right Leaders for Working Groups

A key to having strong working groups, and a strong collective impact initiative, is having the right leaders at the table who are committed to moving the work forward. When we work with initiatives to identify working group members, we often start by mapping out the various sectors that should be represented and the desired seniority of members (e.g., CEO, Director, Project Manager, those with "lived experience"). We also identify champions who can help us recruit those individuals. While this analysis increases the likelihood that working groups represent the right stakeholders, it is perhaps even more important to identify working group members whose "hair is on fire" – individuals who possess a deep passion for the issue, will dedicate the time and energy needed for frequent meetings, and will bring others to the table by sheer determination and perseverance. These leaders would need to be committed not only with their words, but also with their time. They are enablers, champions, advocates, innovators, early adopters, and conveners – those who are undaunted by uncharted, ambitious, and complex collaboration. These

traits are especially important for working group co-chairs; the presence of these co-chairs will contribute to the sustainability of the working group. At FSG, we hear of many initiatives stalling because the people at the table weren't committed to sustaining collaborative work towards a complex problem. Having the right people at the table in each working group, as well as on the steering committee, is especially critical in the early phases of an initiative, when many will be skeptical that "yet another collaborative effort" will produce sustained results. (See Figure 3 for working group member traits and responsibilities.)

Two Common Questions: Number and Type of Working Groups

Determining the Optimal Number of Working Groups

The ability to recruit the right working group leaders determines, in large part, the number of working groups. Quite simply, strong leaders will be able to start and sustain working groups, and will bring other leaders to the table.
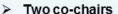
As an initiative evolves, the number of working groups will likely change; this is a positive sign that the initia-

Figure 3. Working Group Member Traits

Leadership

- Two co-chairs
- Can **commit the time** (~3-4 hrs/month plus meetings, but time will vary)
- **Collaborative leaders** and facilitators, conveners, committed to mission, able to "get stuff done"
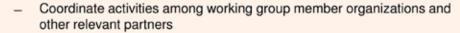
Members

- **Committed**, issue-aligned, collaborative, action-oriented
- **7-10 members initially** (will vary by initiative)
- **Can commit** to meetings
- Usually **one level down** from the steering committee members, but have **authority** to represent organizations and make decisions
- Are **knowledgeable** about the problem to be addressed
- **Cross-sector** representation

Responsibilities

- **Strategy and Indicator Development**
  - Review research on effective strategies within local context (if applicable) and external best practices
  - Use data to inform identification of strategies and ongoing refinement
  - Develop and refine indicators
- **Implementation**
  - Coordinate activities among working group member organizations and other relevant partners
  - Identify resources to support and / or execute strategies
  - Provide progress updates to and learn from the steering committee, backbone, and other working groups
- **Leadership**
  - Champion the effort with relevant stakeholders
  - Align member organizations' work to the goals, indicators, and strategies of the working group where possible

"Quick wins are important for demonstrating the value of collective work, keeping people engaged, and building support"

tive is learning and adjusting to its context. As discussed earlier, some initiatives choose to start slow with 1-2 working groups, and then expand once sufficient capacity has been built among the backbone organization and initial working groups. We have also seen a number of initiatives begin with many working groups, only to later consolidate. In our experience, 3 to 6 working groups is a manageable number in the first few years of an initiative, but the optimal number depends heavily on the strength of each group's leadership.

Balancing "Strategy" Working Groups with "Functional" Working Groups

Many working groups will be organized around specific strategies. For example, the previously mentioned Communities that Care Coalition established working groups of Parent Education, Youth Recognition, and Community Laws and Norms. RGV FOCUS established the working groups of Students Graduate High School Ready, Students Successfully Transition between High School and Postsecondary, and Students Attain a Degree or Credential with Labor Market Value. Initiatives may also elect to have working groups that are function-based. Common examples include policy advocacy, data capacity building, and community engagement.

Getting Started: Working Groups in the First Six Months

The first six months of a working group are about deep strategic planning and relationship building. The common agenda documents a shared vision, understanding of the problem, specific and measurable goals, and high-level strategies. In their first six months, working groups take the common agenda and go deeper into strategic planning, all the while intentionally strengthening relationships with existing and new partners. Below, we highlight four specific priorities of working groups in the early months.

Use Data to Further Understand the Problem and Develop an Approach to Continuous Learning

Data should be at the heart of setting strategies and adjusting along the way. In working groups' first six months, data is a critical tool for further understanding the problem

and identifying potential strategies. Data of all sorts can be used. For example, data can help highlight achievement gaps by neighborhood, identify resources directed toward a particular issue, or map populations that receive services and those that don't.

Data are also at the heart of continuous learning. Working groups will first define primary and secondary success metrics that are linked to the initiative's common agenda. The regular gathering, analysis, and reporting of this data ultimately allows working groups to learn what's working and then point a spotlight on those successful strategies. It is beyond the scope of this paper to discuss the inner workings of data and shared measurement systems, but we cannot overemphasize the importance of data as a tool for continuous learning.[3]

Identify High-Leverage Strategies and Quick Wins

After developing a deep understanding of the problem, working groups should ask themselves, "What are the problems we see, and what are the high-leverage things we can do together that no one organization could do alone?" Many of these strategies will be systemic and long-term, but working groups should also intentionally identify short-term strategies that demonstrate the power of working collectively. Quick wins are important for demonstrating the value of collective work, keeping people engaged while moving through a long term planning process, and for building support among those who are skeptical of this new approach. Quick wins can range from providing evidence of tangible progress such as agreement on goals or a pilot collaboration between organizations, to sharing stories about new relationships that are being formed within the community. One example of a quick win comes from the Road Map Project, a collective impact initiative which aims to double the number of students in South King County and South Seattle who are on track to graduate from college or earn a career credential by 2020. The initiative championed a major success in 2011 with its sign-up campaign for the College Bound Scholarship (a statewide scholarship for low-income students across the state who graduate with a 2.0 or higher and no felonies). With participation from district and school coordinators in each of the seven Road Map districts and leadership from the College Success Foundation and CCER (the initiative's backbone organization, who sent out regular emails to district superintendents showing their progress toward enrolling all eligible students), 93% of eligible students signed up, an increase from 74% in 2010.

In addition to quick wins, initial strategies can also highlight what is currently working so that it can be done on a larger scale. This can be extremely energizing for those engaged in solving the problem, and creates a positive energy instead of just focusing on the challenges.

Build Relationships

Relationships, especially among those who haven't traditionally worked together, can be fragile and take time to develop. Working group co-chairs should aim to build trust by holding meetings in person as much as possible, carving out time during meetings for informal conversation, ensuring members attend meetings themselves (instead of a designee), and properly onboarding new members.

Another key to building relationships and a sense of teamwork is to generate excitement, but also manage expectations. Most community leaders have experienced a failed collaborative effort, and many are wary of yet another one.

Provide Backbone Support, but Build Co-Chairs' Capacity to Lead and Members' Ownership of the Work

Planning agendas, gathering data, coordinating schedules, and conducting follow-up takes work, and the backbone provides the manpower to do many of these behind-the-scenes tasks. However, working group co-chairs should ideally take a strong role in planning and facilitating meetings from the beginning. If the backbone takes an overly heavy hand, working group co-chairs and members will not feel invested in the process, and therefore be less committed. If co-chairs are not quite ready or able to assume full ownership, the backbone can coach them over the course of a few meetings until they take ownership of the working group's progress.

Conclusion: The Payoff of Working Groups

In this article, we have described where working groups sit in the collective impact infrastructure, offered guidance on the science and art of determining an optimal working group structure, and shared lessons on how to successfully facilitate working groups in their first six months. Done in a thoughtful manner, creating working groups and putting them into action is a crucial element in successful collective impact initiatives, and can sustain the engagement of a broad range of community members and lead to impact at scale. Returning to the dating analogy: commitment, whether through a 5th date or through working groups, leads to deeper, more fulfilling, and sustained relationships.

We close with a simple story of collaboration at the working group level. The story is from Jina Bohl of Western Brown Local Schools in Ohio, who is participating in a Success by 6 working group focused on improving school readiness.

"When we started with this goal of improving school readiness, the first thing we did was bring together principals, Head Start teachers, and kindergarten and pre-K teachers to look at the kindergarten readiness scores for incoming students in our district. What we found was that incoming kindergarteners scored low in a number of important areas – rhyming, alliteration, letter identification – but this didn't tell us what we should do about the problem.

"As a group, we decided that we needed more information, so we agreed to begin administering a survey to the parents of incoming kindergarteners, asking where their child had attended a program or received care prior to entering school (e.g., Head Start, district pre-K, daycare center, family, friend or neighbor care). With this information, we could look at the differences in readiness scores for the kids coming from different programs. What we found was that the children who had attended local daycare centers lagged significantly behind their peers in their readiness scores. But the daycare teachers hadn't been invited to the table to help us think about how to improve school readiness. We hadn't considered how important they were to this equation.

"So, we made up for lost time and invited the daycare teachers to join us in our efforts to improve school readiness. We were careful when sharing the readiness data not to be accusatory or to blame anyone for lower scores but to approach our examination of the data with an attitude of curiosity and interest, engaging the daycares as partners. And it was really interesting – the daycare teachers said, "We never thought of ourselves as being all that important to academic success." It boosted their morale to have the district inviting them to this effort as an equal partner and they were receptive to trying to make things better.

"Together, our expanded group determined that we needed training in targeted areas to help us improve students' readiness. With the help of our backbone organization, we identified pro bono training support and arranged a one-day session devoted just to rhyming. After the session, we continued a community of practice among the daycare, Head Start, and pre-K teachers to discuss how they were applying what they had learned.

"That's all we did. And guess what? The following year's readiness scores in the area of rhyming went through the roof.

"So we repeated the process for the area of alliteration and again the following year, the students' alliteration scores came up dramatically. More and more teachers are coming to our meetings and trainings and are empowered to make change. We've got strong partnerships between the schools and the daycares. And most importantly – we're making a difference for the kids in our community. This was my 'a-ha' moment about collective impact." CI

The Magnolia Community Initiative:

The Importance of Measurement in Improving Community Well-Being

By Moira Inkelas and Patricia Bowie, University of California, Los Angeles

As we learn more about approaches that have the greatest potential to develop and improve communities, the well-being of community members has become a critical indicator of success. We have long recognized that an individual's productivity is influenced by family stability, physical and emotional health, and educational success, and that these influences interact to shape well-being across life stages from early childhood into adulthood. More and more, we center our efforts and interventions on achieving collective impact by simultaneously addressing a combination of factors influencing a population of residents. The geography may be a neighborhood, city, county or state. A

more holistic perspective on the inputs to well-being is influencing how and what we measure to understand a community's growth and success. The concept of well-being is replacing traditional indicators of success, such as counts of services, program participants, and graduates.

The challenge is that optimizing well-being requires an approach that considers more than a single human capacity such as physical health or emotional intelligence; a single service sector, provider, or program such as health care or preschool; and a single life stage such as pregnancy, early childhood, or young adulthood. Additionally, as we have seen in previous articles in this issue of *Community Investments,* comprehensively working toward

the goal of community well-being requires the coordination of a variety of funding sources and programs and the cooperation of an array of education, health care, child welfare, community development and financial providers. Moreover, communities are constantly changing, rendering it nearly impossible to fully plan for community success without a flexible and adaptive approach.[1]

What does this mean for measurement, and for achieving enduring improvement in communities? The goal of measurement is to drive a change. Therefore, measures should help people understand the behavior of a system and take steps to improve its performance. Measurement must also help stakeholders respond to the constant change in communities and the dynamics of any initiative. How can measurement support an adaptive change process in a community system striving to optimize population well-being? How can integration and management of data collection and analysis work in practice? This case study of the Magnolia Community Initiative describes such a measurement system, and offers it as an example to illustrate a set of principles for measurement.

The Magnolia Community Initiative: A Measurement and Learning System in Practice

The Magnolia Community Initiative (MCI) is a voluntary network of 70 organizations in a five-square mile area near downtown Los Angeles. The network came together with the vision of helping the 35,000 children living in the neighborhoods within a 500-block area break all records of success in their education, health, and the quality of nurturing care and economic stability they receive from their families and community. Poor health outcomes are common here; about 35% of children are overweight, 73% are not proficient in reading by third grade, and 40% will fail to graduate from high school. Partners include multiple departments operated by the Los Angeles County Chief Executive Office (CEO) including social services, child support, and child protection; regional organizations responsible for populations of children such as the Los Angeles County Unified School District, Women Infants and Children (WIC) Nutrition Program, and child care resource and referral; and private and non-profit community-based organizations providing health care, early care and education including Head Start and Early Head Start, family support, and banking and economic development services and supports.

The partners cooperate, coordinate, and collaborate to align their own activities within the 500 blocks toward the ideas for change adopted by the Initiative.[2] Partner organizations strive to work as a system, changing institutional practices from a focus on delivering isolated services to a preventive and holistic approach to each client regardless

of the organization's primary mission. The partners use an agreed-upon set of design elements for a well-functioning system to shape their practice in ways that fit within their scope and expertise, and augment the impact of their respective services. The design elements include activating parents to address their child's developmental needs and to care for their own physical, social and emotional health needs; improving linkage and flow across organizations and service providers; and increasing the effectiveness of services through family-centered care that is consistent with advances and new understandings in neuroscience and the impact of trauma on human development. The Initiative is tapping into the expertise of its diverse network to create cross-sector pathways to address the largest causes of preventable losses in health and developmental potential. These include parent depression, social isolation, and developmental concerns in young children.

The network capitalizes on the intrinsic motivation of the partners. They get value from the connections and from a shared measurement and change process. To move from concept and commitment to actual changes in practice, the Initiative created a learning system around the design elements with measurement and a structured innovation and improvement method.[3] Through monthly network meetings, working groups, and improvement projects, the network partners reflect on how to form and function as a system to improve conditions and outcomes for the full population of local families. For their part, community members interact with neighbors to forge connections and work collectively. They share information about protective factors, the meaning of belonging in a community, the current well-being of young children and families in the neighborhood, and local resources for families. Increasingly they take actions together such as advocating for clean streets and safe parks, establishing walking groups, and making changes in their own lives that lead to well being.

MCI designed a measurement system that could endure for the length of time necessary to improve health and human capital in the community.[4] We designed the measurement system with the following goals in mind.

- *Focus the diverse network partners on shared outcomes.* We developed a one-page dashboard of measures that includes child health and development outcomes that all network partners adopted as their "true north." Differing from traditional scorecards, this "Population Dashboard" also includes the major influence on these outcomes. The dashboard includes outcomes; the parenting actions (such as daily book-sharing) that influence the outcomes; the family conditions (such as food security, and absence of depression) that enable parents to take these actions; and the care processes of organizations in the network (such as providing empathy, and linking clients to other partners that offer

> *"The goal of measurement is to drive a change; measures should help people understand the behavior of a system and improve its performance"*

concrete resources) that help create these family conditions. The dashboard also includes measures of the internal capacity of organizations to reflect on their practice and make improvements. Taken together, the dashboard measures reflect the capacity, the improvement, and the impact that all organizations and sectors are striving for.

- *Encourage network partners to think and work as a system.* We set measures that provide organizations with insight (understanding the properties of a system that lead to the family conditions, and that in turn lead to desired outcomes); reflection (how do I contribute to a change?); goal-setting (what could be achieved by my actions and by working together collectively?); and actions (what can I do differently as a provider). For example, measures of the reach and depth of the network as reported by local residents helped partners realize the value of "in reach" strategies such as improved linkage and referral. When they learned that 89% of residents are linked to at least one network partner, but that most residents are linked to only one partner, they realized that it is more efficient for organizations to refer and link clients to each other, than for each organization to undertake its own direct outreach to community members. Similarly, measures of connectivity between the organizations such as familiarity with each other's services, the ease of linking clients to one another, and the frequency of linkage helped partners reflect on steps they could take to have an immediate and community-wide impact.

- *Establish shared accountability among the partners for reaching goal targets in outcomes, parenting actions, family conditions, and care processes.* The partners agreed to reliably provide the care processes that are reported on the dashboard. One such process is routinely eliciting several types of concerns and needs from clients in all encounters. For example, the partners committed to provide empathy, including taking time to understand the specific needs of a client and treating the parent as an expert on their child. The child

care programs began asking routinely about financial needs, while for their part, the financial/social service partners began asking about family stressors and depression. Organizations identify their specific contribution to the measures on the dashboard, stretching their practice but not beyond their expertise or their ability to sustain the practice.

- *Establish specific expectations for change.* Each measure has a numeric goal target, identified by the network as the best that has been achieved in any system, and the best that the network could achieve by working collectively with resources on hand. We established high performance targets of 90% for processes such as providing empathy, eliciting concerns, and offering resources in addition to what the client requested. The high targets remind partners that we only create an experience for community members of being supported by a system if these key expressions of interest in well-being happen in all encounters. The high targets also remind partners that implementing one process (such as eliciting concerns) but not others (such as linkage and follow-up) does not create the full cycle of steps necessary to get the desired result, and could actually throw the system out of balance. For example, asking about a range of needs without having some pre-determined pathways in mind, and without encouraging the family to come back if that pathway does not work as planned, does not produce a consistent, effective response.

- *Support improvement with frequent and real-time information.* The Dashboard displays monthly measurements to track progress in care processes of multiple organizations and sectors. Examples include empathy and linkage. The monthly data come from surveys collected by network partners, including physicians, child care programs, and others. The data show which care processes occur inconsistently, and where there is variation in practice within the network between sectors and between organizations. Sharing and assessing these data makes it easier for organizations to learn from each other. Organizations collect small numbers of short anonymous parent surveys to produce the data. Unlike typical program evaluations that compare performance in two points of time, we provide regular monthly data so partners can iteratively learn and adjust their actions.

The following principles reflect the Magnolia Community Initiative experience. What we have learned can be generalized to help inform other collective impact efforts. We offer the following recommendations based on our experiences and knowledge of how to manage change in organizations and in complex systems.

Measures need to tell a story that shapes understanding of what matters and how to influence it.

Working toward a shared goal should involve formulating an idea, stating assumptions, testing under a range of conditions, and adapting to get the intended result consistently. This moves beyond a shared goal to a shared theory of change. Measures are only useful for guiding improvement when they provide a point of reflection from which to judge the situation and give meaning to experience. For example, an indicator set with rates of low birthweight, overweight, smoking, high school graduation rates, and median income does not help organizations or residents understand what they can do to make a difference and, in particular, what are the highest leverage actions they can take collectively to make a difference. Assembling measures that show there is a problem but do not tell a story of what should be done are difficult to use for directing improvement efforts within a complex system. Organizations need to know what they can do and why they are doing it. For example, we can increase third grade reading scores by tutoring children and providing breakfast on testing days, but that does not change aspects of their home environment that predict later learning outcomes, such as study habits, family stability, and parent interest in their child's academic success. As another example, linkage to resources does not by itself improve population outcomes; increasing referrals to low quality services in health care, child care, or social services may not have the intended impact. These examples are a reminder that working as a system is more than drawing a line between parts of the system that should be connected. It is about shared processes, cooperation and practice change.

What types of measures should a Population Dashboard on well-being include? We have found it best to include several categories of measures which reflect the current knowledge about the range of determinants of human capacity:

- *Outcomes* include early life predictors of capability in adulthood. Examples are low birthweight, social competence of kindergarteners, third grade reading proficiency, and positive peer relationships in middle childhood. Sharing these outcomes across sectors and programs focuses all parties on the same "true north". Outcomes help leaders align their resources and policies, and they motivate improvement at all levels of policy and practice.

- *Behaviors* are the health- and development-promoting routines of parents and community members, including consistent home routines such as parent-child reading, that have the greatest impact on the outcomes.

> *"The right measures can crystallize the operating rules so that organizations understand how their actions contribute to the results"*

- Family and neighborhood *conditions* can enable or detract from those desirable behaviors. Family conditions include social connections, maternal depression, financial well-being, food security, and stable housing for the family. Neighborhood conditions include perceived safety, knowing one's neighbors, and the degree of collective efficacy such as the extent to which neighbors look out for each other.

- Daily and monthly measures of *actions* show how well and how reliably the service system is supporting families toward positive behaviors. Examples of these actions include using empathic care, activating individuals to care for their own needs and those of their children, and linking individuals to needed services and supports.

- *Reach* is the extent to which the target population is linked into the network or system, and therefore experiencing the improvements. For example, if several health clinics improve their services, but together serve only 20 percent of the local population, we are unlikely to see significant change in the community.

Measures should reflect design imperatives for the system.

The right measures can crystallize the "operating rules" so that organizations understand how their actions contribute to the results for a geographic population. To inspire collective action that is likely to make a difference at a systems or population level, measures should cut across institutions, sectors, and disciplines. For example, helping parents learn how to establish routines with their young children, such as reading together daily or limit-setting, gives them skills that they can apply in later stages of childhood as well. Focusing on actions and approaches such as striving for empathy in all encounters and activating parents, rather than counting visits to health clinics or service providers, helps partners focus on what it means to work collaboratively as a system. Measures should ideally be indicators that remain relevant across life stages, such as the presence of predictable, stable, consistent and nurturing families; safe neighborhoods; and responsive healthcare and education providers. Relying exclusively on measures that appear relevant to only one life stage

"Any community change process requires a measurement system robust enough to support efforts over the long term"

can detract from a shared understanding that certain root causes cut across life stages and are therefore relevant for all to work toward.

Dashboards with population-level measures are a useful tool for change when they include the right type and periodicity of measures.

Measures can help to keep partners focused and aligned. Unlike typical community health profiles, report cards and scorecards, our "Population Dashboard" was designed to provide insight, reflection and guidance for change. It enables leaders and organizations to track family conditions and care processes that drive the desired outcomes, and encourages organizations to see their contributions through a systems lens. We can draw from evidence-based selection criteria for performance measures that can drive a change. These criteria include importance, feasibility, timeliness, and modifiability of the action or outcome being measured. Few existing community profiles employ all of these criteria.

There is ample evidence that selecting a modest, balanced number of measures (10-15) is much more effective in driving improvement than larger sets. It is also essential to shift to providing real-time, monthly progress on process of care measures overall and by service sector to provide diverse programs and providers with shared accountability and a common change process. Understanding variation within an organization, or across a system, is a cornerstone of effective improvement.[5] Setting numeric goal targets creates an expectation of change.

Setting goal targets for measures establishes an expectation for rapid and significant change, as long as the measures represent actions that organizations control and therefore can achieve. For example, it is possible to use empathy and elicit concerns at all encounters, and setting numeric goal targets at the high level that is possible such as 95 percent of visits rather than settling for modest improvement not only creates the expectation for change but also helps partners introduce the changes that will get them to this level of performance. An important caveat is that setting targets without a change process to help organizations achieve them, or without a reasonable expectation that organizations can reach those targets, can render them empty and ineffective. Ambitious goals have the

greatest meaning when there is an understood path laid out by which to get there, even if getting there is difficult and not all steps are known ahead of time.

Measurement is effective when embedded in a learning system.

It is necessary to continually nurture understanding of the system and the design elements across many people and organizations. A learning system is a combination of measurement and change methods that enables organizations to iteratively adapt knowledge so it works in practice. Measurement is the essence of a learning system, because it can increase the degree to which organizations think of themselves as part of the same system, identify the root causes of suboptimal results, and track improvement over time. The Institute of Medicine (IOM) is promoting the "learning healthcare organization" concept to emphasize the importance of innovation and improvement in health and human services to close the large gap between what we know and what we do. A disciplined approach to learning enables organizations to move quickly from an idea for change to actually testing and implementing that change. A learning system designed for a community enables partners to learn not only what works within their practice, but what actions they should take in partnership with others. The concept of a learning system is especially relevant to communities because they are so dynamic, with changing programs and resources. It has been said that the only constant is change. A learning system is robust to changing resources and policies because organizations have a method of learning their way forward in any context. This capability is essential for achieving scalable, spreadable, and sustainable improvement.

Actors need measures at their level of influence

Measurement at multiple levels gives the different stakeholders in a community system the specific information they need on progress of the system toward its goals. There are distinct needs for information at different levels of a system, which include policymakers, service sectors and organizations, frontline providers, and community members. Information should match the sphere of influence of the stakeholder it is intended to support. For example, organization leads need information about the capacity of their organization and others to change, whereas providers need information about how consistently they delivered a specific process last month. The following examples show the kind of information that is useful at different levels of a system.

- *Network and organization leads* need measures around the manner in which a system should operate to accomplish an intended aim. For example, understanding

the extent to which organizations in a network have a supportive climate for improvement helps the leaders craft strategies that address it. This is important because having the right ideas for change does not produce results if organizations do not have an internal infrastructure that encourages innovation, improvement, and sustains the gains from improvement. The network and organization leads also need to understand the network's depth and reach to the local population so they can nurture active participation and growth. The network leadership needs to see a set of measures that provide a snapshot of the "full system," which includes measures of reach and organizational capacity in addition to the measures of outcomes, behaviors, conditions, and actions.

- **Frontline providers** such as doctors, educators, and staff in financial and social services organizations are ultimately responsible for whether or not their services are offered consistently and with quality. While frontline providers often spend considerable time gathering and entering data, they often do not receive it back in a meaningful time frame if they receive it back at all. Service providers need to see their own results each month and be able to compare them to past months, to goal targets, and to the results of other organizations in the network.

- **Community members** also need data to support their own change efforts. Community members use data in different ways depending on their focus. Measures may be relevant to them in their capacities as neighborhood residents; as participants in services; as clients working in partnership with organizations; as parents striving to create safe, nurturing and development-promoting home environments for their child; or all of these. As residents, community members work toward taking positive actions in their own sphere of influence – neighborhood life – so they need information about the perspectives and actions of residents to plan and track change. For example, a community member may need to see safety or neighborliness measures on her block or cluster of blocks. Some will use outcome measures to advocate for changes or new resources in their neighborhoods with entities such as neighborhood and city councils. Others respond directly to data about crime or other topics by participating in parent associations or neighborhood watch programs. Some respond to measures of health behaviors by making personal changes such as exercising or changes to home routines such as reading together with their child. Some community members use the different types of measures to do all of these things. It is important to provide community members with the right data tailored to purpose, rather than assuming that the kinds of data

that motivate one to advocate for resources or safety are the same as those needed to help a parent change their personal behaviors within the home.

The limitations and challenges of traditional measurement approaches

Current measurement systems and formats are not sufficiently helping communities and the organizations within them visualize themselves as operating as or within a system. Existing measurement strategies have limited utility for large-scale improvement because they typically focus on long-term measures and do not use a family of measures that tells a story of what changes will lead to those outcomes. Some smallseveral with no information about the conditions that lead to those outcomes or thethem.Some measurement sets are too large, with many measures representing all the factors that could matter and all that could be done to respond. This can be overwhelming to those trying to make sense of complexity, and defeats the purpose of using a set of measures to sharpen a narrative that motivates diverse organizations toward collective action. Clustering measures by sector or program type also can reinforce a siloed rather than aligned approach. Such sector-specific measures, such as health care access and participation in child care, tend to focus sectors inward rather than toward common and linked actions across sectors, such as providing empathy and linkage.

Current measurement sets often draw exclusively from existing data, rather than what is meaningful for changing practice. This may be the most significant limitation. Measurement systems are unlikely to drive meaningful change when they do not provide real-time data to inform day-to-day improvements in practice. Finally, designing a measurement system that can scale, spread, and be sustained over time is also essential. Any community change process requires an enduring large-scale improvement effort with a measurement system robust enough to support efforts over the long term.

Conclusions

Measurement with the right context, type, and frequency can drive a change process. Creating a set of measures that meets this criteria would be a service to many community development efforts. Offering appropriate measures for gauging the reach and depth of networks could inspire more community development efforts to focus on their value working as a system. Public sectors including public health departments could support change efforts by contributing measurement sets that meet these criteria. While no single public program can be held responsible for developing human capacity, agencies that have a measurement focus and/or a population orientation are well-positioned to consider how they can augment their

current efforts to support the types, level and frequency of metrics for purposes of improvement.

Providing a shared story of how well-being is formed is a cornerstone of effective collective action. As a result, tying together measurement sets across children's developmental stages could go a long way toward uniting collective action initiatives and change efforts that currently target specific age groups and the organizations that influence them. To that end, it may be productive to create template dashboards that represent human capital formation across the life course. The rationale is that when a community has more than one set of measures to direct change – for example, having an early childhood initiative and an adolescent initiative – using measures that explicitly address common domains such as family life can be a highly effective way of linking historically disparate efforts together into a cradle to career (life course) orientation. Templates for early childhood, middle childhood, and adolescents could use similar measures, with some tailoring. For example, home routines and family conditions are relevant to children of all ages, even though the specific measures such as measuring communication skills for younger children and peer influence for older children may differ. Similarly, the roles of services and supports have some commonality across childhood. The concept of eliciting concerns may be represented by rates of developmental screening for young children and rates of parents attending annual parent-teacher conferences for older children.

It can be effective to use several dashboards, each tailored to a specific stage of development and linked to the others by a bridging measure – for instance, a school readiness measure that is the outcome of the early years and the starting point in middle childhood. Such linked measurement models would support national efforts such as "Cradle to Career" that strive for understanding of how early investments lead to later outcomes, and could connect early childhood initiatives with school-age efforts such as Community Schools. This can support collective action both within and across distinct initiatives.

In summary, there is an opportunity to augment the purposes of measurement so that it supports not only planning but also action. This may require different approaches to public health surveillance, such as using smaller samples with greater periodicity, and displaying data as time series rather than as annual or pre-post measures. Providing guidance to collective impact initiatives on how to measure for improvement could help community development efforts use limited resources for data more efficiently, providing just enough information to provide insight, promote reflection, and test changes and track improvement over time. CI

"THE Network:

A Cross-Sector Approach to Lowering Transit + Housing + Energy Costs in California"

By Heather McLeod Grant, Consultant with Shamus Roller, Executive Director of Housing California

Introduction

Collective impact is all the rage in social change circles these days, so it's not surprising to see practitioners and philanthropists in the affordable housing and community development fields experimenting with this approach. Collective impact is ultimately about cross-sector problem solving. This approach, which aims to change policy and program delivery systems, can take many shapes, but at its core requires the cultivation of networks that enable actors working in disparate spheres to come together to learn how to support and build off one another's work. Here in California, a new experiment in fostering this type of network has taken shape over the past 18 months. Since mid-2012, Housing California —a statewide nonprofit alliance for affordable housing advocates—has incubated a cross-sector network focused on reducing the overall costs of transit, housing, and energy for low-income residents of California, so that no resident spends more than 50% of their income on these necessities.[1] Appropriately, the emerging network goes by its acronym THE (for Transit + Housing + Energy)—and it has early lessons to teach those seeking ways to achieve greater collective impact.

The experiment grew out of Housing California Executive Director Shamus Roller's interest in replicating in the housing field the systems-changing approach used by the ReAmp network. ReAmp is a network of cross-sector nonprofits and funders in the Midwest who worked collectively to create a shared understanding around the problem of Midwestern climate change. The network worked together to create a shared goal to reduce climate emissions 80% by 2050, identify leverage points in the system, and then align the actions of nonprofits and funders to achieve greater impact against this goal.

ReAmp had been an unparalleled success in its first eight years, and Roller was eager to see if a similar multi-stakeholder process could be used in his state, and his field. He approached Heather McLeod Grant, then a consultant at Monitor Institute, who had written a case study of the ReAmp's collective impact process.[2] With the help of Chris Block, CEO of American Leadership Forum, Silicon Valley, and former board chair of Housing California, in assembling industry leaders for an initial brainstorming session, together we embarked on this journey to try something new.

It was a fortuitous timing. The state of California had just eliminated redevelopment funding – the largest state source of affordable housing dollars – the housing bubble and crisis of 2007-2008 had disrupted the entire market, and traditional affordable housing approaches like pursuing tax credits and government subsidies were being called into question. "Those of us in the housing world were really struggling after the winding down of the way we'd funded affordable development in the past," says Roller. "It was a moment of crisis, and a realization that the goals we had for our developments weren't just about houses, but about people's lives. We wanted to think about how we could work differently to reach some of those larger goals."

So over the summer of 2012, Roller, McLeod Grant and their team set out to replicate a collective approach similar to ReAmp but customized to the anomalies of affordable housing developers in the state of California, and to try do it on a much smaller budget. The Garfield Foundation, a foundation that seeks to support collaborative and systems-level solutions to complex environmental and community challenges, had invested around a million dollars over the first few years to catalyze the ReAmp network; Roller had raised just a few hundred thousand dollars to get this network up and running. The initial network formation steps were very similar to those of ReAmp, though over time the process emerged in response to the needs of network participants.

In this respect, rather than being a "cookie-cutter" replication, the creation of THE Network is in fact the story of how an approach used in one field and region loosely inspired action in another. In this article, we describe the formation of THE Network, including the process it followed in its first 18 months, and emerging lessons that might inform the work of others seeking to increase their own community impact.

Forming THE Network: Gathering Leaders, Defining a Shared Goal, and Establishing a Structure

Encouraging shared understanding among those designing a new partnership network is crucial in the early stages of network formation. As a first step in catalyzing this nascent network, Monitor Institute consultants and Housing California project leaders set out to gather more information about the current affordable housing field in order to "map" the system they were operating in. They hired systems analyst Scott Spann, who had also done mapping for ReAmp, and together conducted more than 30 interviews with housing and community development experts statewide. This data was then input into a software program used to create a "systems map"—a dynamic visual representation of the larger affordable housing system, with many interdependent variables mapped out in cause-and-effect relationships. This systems map became a critical input into a series of multi-stakeholder convenings and conversations which followed.

At the same time, Shamus Roller and the consulting team designed an initial convening where the systems map would serve as a key catalyst for group dialogue and strategizing. It was important to invite the right players, so they reached out to a cross section of funders, activists, for-profit and nonprofit developers, organizers, and a few representatives from adjacent fields such as transportation, workforce development, and environmental sustainability. They made a special effort to include leaders who had influence in the field, and people who tended to be innovative or even disruptive thinkers.

This group of over thirty-five people met for the first time over two days in October 2012. The agenda for the first convening focused on creating a shared understanding of the larger problem using the systems map, and on building relationships and trust among participants. While no "answers" were generated at this first convening, participants left feeling a heightened sense of possibility, a greater understanding of the complexity of the larger system, and with new relationships to build upon in their work.

One of the main objectives of the next phase of work was to have this core group of participants move from a shared understanding of the larger system to setting an over-arching goal that they could agree upon. This didn't happen all at once—it took two full gatherings to wrestle with the complexity of the issue and to clarify the group's aspirations. In January of 2013, the group reconvened, this time focusing on incorporating all the interests in the network in setting its goal, starting to understand where

new approaches might be possible, and continuing to deepen their relationships.

As a result of the process of combining systems mapping and diverse participants, the overarching network goal became much broader—it shifted from being just about affordable housing production to a more comprehensive aim to lower overall costs for transportation, housing, and energy use (T+H+E) for lower-income families. This necessitated keeping the network diverse and continuing to include participants from adjacent fields. It is important to note that this process of deciding where to set the boundaries of the network—what is within scope and beyond scope—is a very important part of this stage of the work. Go too broad and it becomes difficult to get your arms around an issue; but go too narrow, and you risk regressing into a more narrow programmatic approach, rather than working at the systems level.

The next phase of network formation – innovation, collaboration and, importantly, moving from theory to real aligned action – took shape during a two-day convening of the network in October 2013.It was at this stage that participants started to feel some urgency to transition from merely talking and strategizing to actually designing an action plan before group patience began to wear thin. At this convening, participants built upon their shared understanding of the larger system, and the leverage points they had identified, to hone in on a few particular "opportunity spaces" where new approaches might be feasible. These included: innovating around the basic unit of housing to lower production costs, seeking more transit-oriented development, communicating more effectively to build public support for affordability, and developing more innovative funding mechanisms.

In a half-day innovation lab led by consultant Dave Viotti of Smallify they were able to rapidly prototype some new solutions to be tested out over the next year. The energy of the group shifted from grappling with complex issues at a higher level to drilling down on specific areas where participants might begin doing real work together and experimenting with new approaches on the ground. Additionally, participants spent some time as a group talking about the emerging network structure and governance, and how they would continue to organize themselves and communicate between larger convenings.

At this critical inflection point in the network's evolution, it was then important to set up a network structure that would enable parallel activities while also maintaining connectivity and communication. The group used other networks including ReAmp and FSG Collective Impact case studies as models, and formed a Steering Committee (a representative group to govern the network) and working groups focused on key areas where people wanted to drive collective action. Much of the network's activity could then happen in these "Action Teams" while the backbone organization, Housing California, would serve as the connective hub, under the guidance of the group's Steering Committee.

At this point in the winter of 2013-2014, the Action Teams began to meet separately and form their own strategic plans, without having to wait for the entire network to come together to get things done. Action Teams were set up around the following areas: Research and Measurement; Communications and Engagement; Policy Change/ Funding; and Community Solutions and Innovation. In its backbone organization role, Housing California would continue to focus on network fundraising, convening, communications, and providing back office support.

Once the structure had been established and the Action Teams were hard at work on their own plans, it was important to keep momentum going around the larger initiative. This "divide and conquer" part of network formation is critical, because it's what enables people to move into smaller clusters and collaborate around shared interests, rather than forcing everyone into a monolithic collaboration. It's also important to balance planning and action. Overdo the planning and people will be frustrated with process, but if there is too much action with little planning, the network risks not being strategic or creating necessary alignment.

At the time of this writing, the next whole network convening won't be until June of 2014; however, the Action Teams are continuing to advance the work of the network in between larger sessions. As Roller says, it seems that the teams have actually gotten a lot done despite the magnitude of the challenges they are tackling: "We've done three full convenings in one year: at times it felt like three years! That process of getting people to work differently–getting me to work differently–was so dynamic. The amount we have had to change is pretty amazing."

Emerging Network Outcomes

This initiative is only 18 months old and this kind of work takes time, so it is somewhat early on to be looking for network outcomes. Additionally, no formal network evaluation has been conducted. Still, there are some important "quick wins" and concrete things that have already resulted directly from the network, according to leaders who we interviewed for this article. These gains include the following:

- *Greater understanding of the interconnectedness of issues.* If nothing else, the systems map succeeded in helping participants in this network view themselves and their organizations as part of a much larger ecosystem. It also helped them to see the forest, not the trees. As a consequence, a number of network participants are now looking at the interconnection of issues such as transit-oriented development and affordable housing, or the link between workforce development and housing. They have begun to understand that if

they focus too narrowly on their own issue-based "silo" or just on housing production, they are less likely to succeed with their larger missions. This initiative has helped shift participants' thinking from a program and organizational mindset to a systems and network view. Accordingly, some participants say that the "process is the product" in this kind of work.

- **Stronger relationships, leading to more collaboration.** The fact that leaders in the network have been able to spend time building relationships and trust has helped them to find points of intersection across their work, and to initiate other organic collaborations beyond the scope of this network. In addition to work being taken on by the Action Teams, there are a few examples of smaller collaborations which have helped build additional collaborative capacity in the field. For example, two groups from different sectors ended up submitting a collaborative research grant to the MacArthur Foundation following one convening. These smaller "micro-collaborations" have not been documented but anecdotal evidence suggests they are happening at a greater rate than before the network formed.

- **Improved policy outcomes and state funding.** Recently this network was instrumental in helping get $100 million passed in the California state budget for transit-oriented development and sustainability initiatives related to cap-and-trade legislation and emissions reduction goals. As Roller puts it, "the relationships and shared understanding we built through this network have really strengthened our work around Sustainable Communities for All (cap and trade), which is technically a separate coalition. We were just awarded $100 million in the governor's annual state budget. That's a major victory that THE network can take some credit for." As seen with some other collective impact approaches, there has been an impressive return on investment; funding a network for under $200,000 which then helped leverage $100 million in government funding is a great outcome for the funders who supported this work.

- **Collective funding for research and innovation.** According to Roller, the network has also given practitioners a foot in the door for ongoing funding to support collaboration among network participants. The Research Action Team has already received $100,000 in additional funding from the Ford Foundation to fund critical research on the greenhouse gas implications of locating affordable homes near transit stops. Other Action Teams will work on proposals to seek funding to support their collaborations as well. The Innovation Action Team has begun developing ideas for a state-wide innovation prize that would recognize the best

inventions (or interventions) designed to lower the overall cost of living for low-income families.

Early Lessons Learned

As noted above in regard to outcomes, it's hard to pull out definitive lessons learned given that the network is less than two years old and a work-in-progress. However, as the principal architects of this collective impact initiative, we believe there are some emerging lessons that might be of use to others seeking to emulate our approach in their communities or fields. Several of these closely parallel what FSG calls the three pre-conditions for network success: leadership, funding, and a sense of urgency.[3]

- **Leadership matters.** In networks, leadership must be shared, distributed, and facilitative in style, rather than hierarchical, but that doesn't make it any less important. If anything, having the right leadership at the right stages of network evolution is fundamental to network success. Without this leadership, networks can get lost in complexity and group dynamics. Early on, there was a core "design team" of leaders who helped craft, catalyze, and then steer THE network's emergence; they took a facilitative approach, allowing for group input along the way. In addition to leadership provided by Shamus Roller and Housing California as the "backbone/ host" organization and Heather McLeod Grant as facilitator, there was leadership provided by other external consultants and advisors at various points. These leaders included Scott Spann on systems mapping, Dave Viotti on innovation, and Chris Block, who helped with group process design. The seed funder of this network, Ann Sewill of the California Community Foundation, also played a critical role in getting this initiative up and running by taking a leap of faith and trusting the process. Several network leaders emerged among the participants as well who helped design the second and third convenings, and stepped up to chair working groups. Just a year into the initiative, a Steering Committee of network participants was starting to take shape to provide more network ownership and leadership of the process.

- **Seed funding is a catalyst.** To borrow a phrase from the women's movement, "early money is like yeast:"it has a catalytic effect on network development. Seed funding at the early stage of network emergence is critical, because it literally allows for the initial group of participants to find time, space, facilitation, and other support needed to wrestle with complex systemic issues while building trust and relationships. Without the time and space to step back and reflect collectively, participants would just keep doing business as usual and getting the same results they have always gotten. And while many funders are still hesitant to invest in "process," as they are more accustomed to investing in clearly bounded and defined programs, early in-

vestment is perhaps the most important ingredient for success in concert along with effective leadership. In this case, the California Community Foundation took a risk and supported the process of collective capacity development. If anything, this network's biggest challenge is not having raised enough money up front; they are instead raising money as they go.

- **Focus on relationships.** In any kind of complex collaborative work, including collective impact, networks, and human systems, it's ultimately all about human relationships. In fact, all of the early wins of THE network have been driven as much by relationships as by the formal structure of the network. This wasn't by chance: the initial leadership and design team made a commitment to allocate significant time at the convenings to developing relationships among network participants, not all of whom knew one another coming in. This included long personal introductions, discussions of shared values, and building in interactive, peer-learning exercises. Additionally, between larger convenings, Roller pulled together small group dinners in Fresno, San Francisco and Los Angeles to nurture some of those interpersonal relationships at the heart of the network. In sum, "going slow to go fast" really matters in this work.

- **Manage for "flexible structure."** The art of network weaving is all about providing some structure while still allowing some flexibility and emergence to happen, and in this respect it's something of a paradox. The group needs a strong "container" for trust to be built and to grapple with complex issues—but they also need this container to be flexible enough that it can adapt to emerging issues that come up in the group. This is very different from a more highly structured, linear process where goals are set and everyone falls in line, as seen in organizational planning, or a more top-down process. This flexible structure approach also applies to network membership and participation. The network should have somewhat porous boundaries, while being lead by a tighter, committed core. "Understand that some people are going to leave the network along the way and that's okay," says Roller. "We needed a process that allows people to walk away and allows new people to come in."

- **Neutral facilitation is critical.** At the early stages of this kind of process, it's very important to have objective and neutral facilitation to help manage power, politics, and group dynamics and assuage any concerns about one organization's agenda overly dominating the process. The facilitators and network hosts can "hold the container" for the group's work to emerge and trust to be built. And while Housing California played a strong role in the formation of the network as a catalyst and host, it was critical that the network set up its own

governance and direction as it evolved. The network's activity continues to be shaped by outside facilitation support and led by a diverse and representative Steering Committee.

Conclusion

The emergence of THE network hasn't been without its challenges. From the beginning, this network included people from both policy advocacy organizations and housing developers who come to the work with very different mindsets, cultures, and approaches. The housing development community has traditionally operated off of a linear production model with a singular goal: build more homes. Developers tend to be practical, concrete, and focused on action and results. This mental model doesn't always lend itself to big-picture thinking, or to investing in "touch-feely" process—so there was some initial skepticism about this approach. On the flip side, housing advocacy organizations tend to be enamored of big ideas, and sometimes abstract solutions. While they may have more tolerance for process, they aren't always as adept at innovating on the ground.

To be successful both sides had to come together, learn from one another, and begin to see that their differences were in fact strengths in the network. As Roller put it, "The practitioners in the room are people who are very much focused on concrete things, so the challenge is getting them to see the big picture. Basically you have big thinkers versus people who like to see things get built, and get done. Ultimately you need both."

Like all networks, this group has also had to grapple with some of the tensions outlined above including the tension between structure and emergence and the tension between focusing on "process" (relationship-building, group dynamics, planning) and "content" (problem-solving and getting things done). As in any human system, there also have been power dynamics and egos to manage along the way.

Despite these challenges, THE network is proving that this approach can work in the affordable housing and community development fields; it holds promise for producing even greater social impact. It will take at least a few more years to decide whether this network has become an ongoing success and has in fact achieved lasting outcomes. Until then, other practitioners and funders in this field can consider the above lessons as provocative food for thought.

Whether or not THE network endures, it is already revealing that there are different ways to approach this kind of work. Roller had to overcome much initial skepticism that a collective impact approach could work in the historically-siloed housing field. "There were so many people who initially told us this couldn't be done," he says with a smile. **CI**

The Sustainable Communities Initiative:

Collective Impact in Practice

By Dwayne S. Marsh, U.S. Department of Housing and Urban Development

Introduction

When more than 400 representatives from the U.S. Department of Housing and Urban Development (HUD)'s Sustainable Communities Initiative (SCI) gathered in Washington, DC for their annual convening, they expected three intensive days of training, best practice exchange, and program evaluation; in other words, the usual meeting business. What they did not expect was a commencement exercise for the "graduating" grantees, complete with diplomas and a keynote speaker, which brought smiles to the faces of these hard-working local leaders, and the federal staff that supported them. While it was just one hour in the midst of three complex years of programming, it was a powerful moment to reflect on the enormity of the work grantees had undertaken and the positive effect

their networks of public agencies, elected officials, non-profit partners, private sector interests, and neighborhood advocates were having on their communities. Local and regional partners, working with a supportive federal government partner, embraced a collective impact approach to transform their neighborhoods, cities, and counties and position their communities to prosper far into the future. While participants credit HUD's Office of Economic Resilience (OER) with building a sense of community rarely experienced in a federal program, the real credit belongs to the 143 local grantee communities and regions pushing the next generation of planning and investment in housing, transportation, infrastructure, economic development, natural resources, workforce, and other critical community development issues. This program's impact stems from

the collaborative effort of the federal government, local organizations, and regional planning entities to ensure that these projects transform lives and catalyze new investment opportunities for the 119 million Americans living in communities benefiting from an SCI grant.

An Administration Priority with an Innovative Approach

As the first term of the Obama Administration commenced, a tumultuous economic climate called for creative approaches to restore stability to the nation's economy, address intensifying income inequalities, and improve outcomes for families in communities across the United States. Creating a more efficient federal government better positioned to leverage its financial investments with strategically aligned policy initiatives was high on that list, especially if that investment used local solutions to strengthen neighborhoods and create jobs that could boost the economic recovery. Every agency was tasked to find ways to meet this objective. Recognizing that their agencies were in a position to make the biggest impact on connecting neighborhoods, increasing housing supply, and opening access to economic opportunity – HUD, the Department of Transportation (DOT), and the

Environmental Protection Agency (EPA) – established the Partnership for Sustainable Communities.

HUD, DOT, and EPA quickly agreed to a set of Livability Principles (see inset) to guide their work, which emphasized improved transportation choice, greater housing options, and locally-driven strategies to protect natural resources while respecting existing communities.

Each agency has taken a leadership role in advancing the Partnership since its inception. HUD focused on directing significant investment into long-range planning for place-based initiatives that would enable communities and regions to retool for the new economy. Why would the agency most recognized for maintaining healthy housing markets invest in local and regional planning in a way not seen in a generation? HUD Secretary Shaun Donovan recognized that at a time of historic economic distress, integrated, comprehensive planning was an economic turnaround strategy that would provide the nation the best chance for community recovery. With this relatively small investment, regions could attract partners to the table to decide how best to target public and private resources to projects that would attract new businesses, support a strong workforce, develop new housing to access economic opportunities — and exponentially grow the initial investment.

Partnership for Sustainable Communities Livability Principles

Provide more transportation choices.

Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

Promote equitable, affordable housing.

Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

Enhance economic competitiveness.

Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.

Support existing communities.

Target federal funding toward existing communities—through strategies like transit-oriented, mixed-use development and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.

Coordinate and leverage federal policies and investment.

Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

Value communities and neighborhoods.

Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

In many ways, the approach taken by the Partnership mirrors the growing movement toward collective impact strategies. The core components of collective impact strategies – building a common agenda, creating shared measurement systems, identifying mutually reinforcing activities, promoting continuous communications, and supporting backbone organizations – have been embraced by increasing numbers of community builders as the best hope of resolving complex social and economic issues. The priority that collective impact puts on cross-sector partnerships brings the public, private, and philanthropic interests to the table with a posture of action and achieving meaningful outcomes for affected communities.

The investment could not have been more timely, as around the country planning departments were enduring their most intensive funding cuts in decades. OER provided two types of grants: Regional Planning Grants ranged to $5 million and were targeted at coordinating infrastructure investments to support strong regional economies in metro- and micropolitan regions over a 25-30 year time horizon. Community Challenge Grants of up to $3 million focused on more neighborhood- and corridor-scale project planning. To reinforce the Livability Principles, the Office built the competition through a collaboratively produced, publicly-influenced process. An Advance Notice of Funding Availability and a national listening tour brought thousands of interested parties to the table to advise the agency on how to create the strongest program possible. Broad public engagement during the application process coupled with high demand for planning resources and a growing recognition that planning for sustainable development strengthens communities' economic resilience and competitiveness led to a tremendously competitive program. More than $8.3 billion was requested in four rounds of competition with only $250 million available for grantmaking. Applicants had to articulate a problem statement of the community conditions to be addressed, describe a set of outcomes that clearly demonstrated more effective alignment of planning initiatives at the local level, and set forth a roadmap for how a three-year integrated planning process would position them to bring together the requisite partners to move the community forward with collective intention. Outside of a few core outcomes required of those winning awards, wide latitude was given to applicants to address the issues most pressing for their communities. In the Regional Planning grants, a locally supportive nonprofit partner was required to be a part of the consortium governing the project to deepen opportunities for meaningful community engagement.

A cohort of 143 grantees in 48 states and the District of Columbia emerged from the two grant programs reflecting the diversity of communities across the nation. In South Florida, two regional planning councils worked to bring seven counties into coordinated long-range planning to envision growth and development over the next 50 years for more than six million residents. To the west, Opportunity Link bridged the interests of rural and frontier Montana communities spread across 31,000 square miles, the program's largest geographic range despite a population numbering less than 150,400. Some grantees had deep experience working with HUD, while others were first-time grantees with the agency. Grantees identified a dizzying array of issues to be addressed, reaching from core necessities to the cutting edge. For the City of Flint, a $1.57 million grant allowed the first update of the zoning code in 51 years. Meanwhile, the Denver Regional Council of Governments was able to coordinate corridor planning to integrate land uses and economic development opportunities along what will soon be the nation's most expansive network of light rail service spanning more than 110 miles. The common thread across every grantee was partnerships – a fundamental component of every grantee's strategy regardless of the financial, political, or geographic scale of the planning effort.

Creating a Culture of Partnership in Government

Creating a culture of partnership when working with federal agencies is no small task. The practice started with OER, which adopted a customer service orientation designed to help grantees navigate the federal government labyrinth and identify opportunities for simplifying processing, aligning workplans, and leveraging resources. A Government Technical Representative (GTR) stationed in OER, provided capacity building and trouble-shooting to the grantee for the duration of the project. The GTR served as a partner and government administrator, speaking to their grantees monthly and providing helpful resources as they monitored progress.

The partnership culture extended to the entire agency, as HUD identified mechanisms to elevate the work of the grantees. One such mechanism, Preferred Sustainability Status, gives enhanced access to training resources and bonus points in certain discretionary grant programs to those who demonstrated a high level of commitment to integrated planning through their applications. At the next circle of engagement, the Partnership agencies actively seek to leverage these investments in other EPA and DOT programs, with USDA becoming an increasing ally in this effort. OER transitioned from grantor to facilitator, working relentlessly to make connections in the federal arena.

The result of the healthy dialogue between government and grantee was a wealth of lessons learned for HUD and other federal agencies working with communities on planning and place-based initiatives, drawn from regular check-ins, grantee communities of practice, capacity building working groups, and direct communication.

Building the Capacity of the Field: No Grantee Left Behind

With a mission to help all grantees complete deliverables that would help transform neighborhoods and communities, OER committed to capacity building to improve grantees' opportunities to accomplish their ambitious agendas. The theory of change prioritized community and peer exchange, tapping local expertise, fostering purposeful collaboration, and facilitating implementation.

OER held a separate competition designed to encourage highly-qualified national and regional intermediaries to propose ways to support grantees in their efforts and, by consequence, elevate the field of practice around the country. Eight intermediaries were awarded a total of $10 million in two competitions to provide services. Working collaboratively with OER they developed curricula, conducted virtual trainings, held webinars, hosted in-person gatherings, facilitated peer exchange, and responded to direct queries for training assistance from grantees. These intermediaries also reached out at the direction of the grant's GTR.

Ultimately, a national online Learning Network amongst the grantees was established that centralized these resources, simplified assistance access, and even allowed grantees to become assistance providers. Staff from the Boston regional grantee Metropolitan Area Planning Council had nationally recognized data management capacity; they supported the intermediary team helping to infuse social equity measures into scenario planning. Reinforcing the work of the intermediaries is a network of more than 100 HUD field staff engaged as Sustainability Officers, rooted in the grantees' home communities, and tasked to make the agency more responsive at the local level.

Another core element of the strategy involved recognizing the talent inherent in this pioneering group of grantees. Many of the grantees brought significant planning, investment, and development experience to the process. An intentional approach to peer exchange became fundamental. Successful grantees kept an eye to implementation. Often that requires some degree of transformation in the bureaucratic or civic structure of local government and regions in order for the integrated approaches of the grantees to succeed. Grantees worked to build consensus, or at least interest, in creating cross-disciplinary plans. Additionally, great effort was invested to determine performance metrics that would allow for a common language of progress to emerge. The capacity building capstone was the annual grantee Convening, where grantees spend three days in deep exchange with one another, benefit from the event's presence in DC to connect with other national resource organizations and federal agencies, and calibrate their expectations for future planning and implementation work. And occasionally get recognized in a commencement ceremony.

In-Practice Example: The Power of Partnership – Ranson, West Virginia

The West Virginia city of Ranson's relationship with The Partnership predates The Partnership. EPA brownfields assessment grants awarded in 2001, 2004, and 2006 to Ranson and neighboring Charles Town paved the way for American Public University's construction of an academic center—the first LEED-certified6 commercial building in West Virginia—on a former brownfield. The university's investment will attract hundreds of jobs.

To build on this momentum, Ranson and Charles Town applied for and received an EPA Brownfields Area-Wide Planning Grant, a HUD Community Challenge Planning Grant, and a DOT TIGER II Planning Grant in 2010. Coordination of the three grants allowed the communities to develop a cohesive plan that uses vacant, previously contaminated land for economic development, links transportation to land use, protects the environment, and provides more affordable housing.

The city of Ranson received technical assistance through EPA's Building Blocks for Sustainable Communities Program to strengthen and articulate the plan. EPA worked with elected officials, stakeholders, and the public to identify areas for growth and analyze existing community tools. This assistance, provided in May 2011, resulted in a clear and specific action plan that helped Ranson implement the three grants ahead of schedule. In April 2012, Ranson's city council unanimously approved proposals to enact a new zoning code and comprehensive plan, moving the community one step closer to realizing its vision for growth. By braiding funding streams, the Partnership demonstrated that it could be a proactive, productive partner in a collective impact strategy.

"All the stars aligned – transportation, zoning, the environment, workforce housing," noted Ranson City Manager Andy Blake. "The Partnership allowed us to refine our plans into implementable steps to create a sustainable community for generations to come."

Results

Planning is great, but at the end of the day results matter. In communities struggling to recover from the economic downturn, grantees needed real solutions that improve socioeconomic outcomes for families and increase investment potential for cities and towns were what grantees needed. Improved land use decisions that addressed location affordability, economic development strategies that leverage regional transportation assets, and initiatives that help people put money back in their pockets by looking at the planning and development issues together were the core products that began to emerge from planning processes.

By the second year of the process, most regions had worked through issues of meaningful engagement of communities and were trying to create clear forward-moving visions. In Maine, the Greater Portland Regional Planning Council used municipally-based demonstration grants to reinforce the notion that the Regional Planning Grant had tangible outcomes. Houston Galveston Area Council produced a strategy to address a crisis in land use that has evolved over decades in the absence of effective zoning. Seattle's Puget Sound Regional Council developed a regional compact which has already secured signatures from more than 26 jurisdictions and organizations committing to embrace the principles of the planning document created during the grant. The Hopi Tribe completed master planning for a new community that will link the existing mesas, provide community development opportunities for their nation, and connect them more effectively with the neighboring Navajo nation.

With 143 grantees, the results from the program are beginning to pour in and some themes are emerging. The most successful grantees are utilizing their networks to:

- **Harness market forces.** The City and County of Honolulu used its planning process to investigate new methods of affordable housing construction and preservation in the nation's toughest market. Now they are leveraging private investment through a loan fund targeted at properties along future transit lines, bringing business and municipal interests into new project developments.

- **Improve local infrastructure.** St. Charles Parish, Louisiana is using its Challenge grant to rework the road and technology infrastructure of its principal business corridor, increasing economic development opportunities and reducing transit time to the community's lone hospital.

- **Develop innovative financing mechanisms.** Plans take money to realize. Nearly every grantee is working to broaden its array of financing mechanisms to support project implementation.

- **Integrate development disciplines.** Often the comprehensive nature of the planning processes has brought together divisions of governments such as departments of health and planning that had never previously collaborated for a common cause.

- **Achieving catalytic use of land assets.** In Salt Lake County, community leaders followed up on its landmark Envision Utah planning process with a series of development strategies and tools for local communities designed to meet the ambitious goal of concentrating 30 percent of the region's future development on three percent of its land area.

- **Involving employment anchors in long range development activity.** In Memphis, the Aerotropolis strategy acknowledges the intensive engine that the logistics sector represents for regional employment, and the chance to improve outcomes for working families and traditionally disadvantaged populations.

- **Expanding the network of stakeholders from those concerned with planning for the future to include those who can make it happen.** The pivot to implementation is a preoccupation of every grantee completing their planning and grantees are learning how best to kickstart the implementation process for their own initiatives. The Piedmont Authority for Regional Transportation is one of many grantees bringing business and philanthropic leaders into the planning process, ensuring resonance with the resulting plan and investment in its successful implementation.

Lessons Learned

Several areas of focus have emerged among the grantees, all of which resonate strongly with the Partnership's six livability principles:

- Integrated housing and transportation. The planners for the Wasatch Front in Utah were acknowledged as national leaders on transportation issues. But the chance to pair that expertise with a priority on housing dramatically enriched the conversation, and the resulting strategy has promising potential for economic development and enhanced resident access to amenities.

- A focus on economic resilience. Any number of grantees made economic resilience their top priority following the economic downturn of 2008-2009. Grantees used specific economic development tactics, as well as linking housing, transportation, and infrastructure strategies to generate investment. But perhaps no grantee better used the opportunity to plot a course for a more resilient future than Thunder Valley Community Development Corporation, which helped the

In-Practice Example: Planning to Soothe Growing Pains – Puget Sound Region, Washington

Nearly 4 million people call the metropolitan Seattle home, living in a beautiful mix of urban and rural landscapes. Its desirability as a place to live, work, and play has strained the region's affordability, with more and more families forced to move farther from job centers in search of cheaper housing. Implementation of a long-term vision for land use, economic development, and transportation is challenged by growing population (an estimated 1.5 million new residents by 2040), and the difficult task of coordinating consistent policies across more than 80 cities and towns. The Puget Sound Regional Council used its $4.99 million SCI grant to build a consortium of cities, counties, and public and nonprofit partners that would put jobs and opportunity closer to where people live through its Growing Transit Communities project.

This initiative invests in strategic transit corridors and uses innovative technology and community capacity-building to ensure equitable, meaningful participation in decision-making. To keep an opportunity frame at the project's forefront, the organizationally diverse steering committee designated one of its two project co-Chairs to focus on equity issues, a powerful statement about the value of inclusion and diverse leadership being central to the region's future.

The benefits for the region are manifold. The grant sets the stage for a regional acquisition fund for transit-oriented, affordable housing development. An array of demonstration projects provides benefits to local residents estimated at $25 million, based on cost-savings that include reduced congestion and decreased accident risks. More than $400,000 has been distributed to community-based organizations to participate in planning – the first time that many of these organizations have had significant resources to advance their neighborhood planning efforts to comprehensive regional planning.

Catalyst projects demonstrate how integrated planning supports economic vitality and enhanced livability for the region and its communities. In the mid-size port city of Tacoma, the initiative attracts regional investment by developing a subarea plan that helps prepare for an estimated 60,000 new jobs by 2030, and provides $5.8 million in immediate cost savings to developers by avoiding project-by-project reviews.

In 2011, five projects from Tacoma and Seattle received more than $15 million in competitive funding from HUD, in part due to a Preferred Sustainability Status designation given to projects aligned with the Growing Transit Communities objectives.

Project manager Ben Bakkenta notes, "What's impressed me the most is how we're working with residents and communities in ways we never have before. This not only builds support for a shared vision, but builds the local capacity to make that vision a reality."

Oglala Lakota Tribe (South Dakota) establish its first long-range development plan.

- Aligned workforce development and regional planning. Several regions used their SCI grants to take a deeper look at how they could strengthen the workforce development aspects of their regional plans. On opposite coasts Baltimore and the San Francisco Bay Area focused on bringing low- and moderate-wage workers into better career paths and connecting training to housing and transportation access.

- A new commitment to engagement, particularly for traditionally underrepresented populations. A fundamental aspect of the planning grant programs involves forging a meaningful place at the decision-making table for communities that usually have no role in long-range planning. Lane County, Oregon staff commissioned a research paper to determine what factors kept invisible communities, particularly the growing undocumented immigrant community, from participating in civil society. Its findings achieved national relevance and framed subsequent outreach strategies in the region.

- Equity in outcomes means planning for equity. From the onset, the Puget Sound Regional Council recognized that if they wanted to see different outcomes for marginalized communities a different kind of planning conversation would have to happen. So they built a governing structure for the project that featured an Equity co-Chair, bringing these issues into focus in nearly every aspect of the planning process.

- Alignment of diverse issues, such as health, arts, and culture. Many grantees saw the opportunity to build to more collective buy-in of the initiative (and an increased likelihood of implementation) by blending diverse but related issues. It also helped to bring more

local relevance to the frame of the program. In Northwest Vermont, the entire project became structured around health outcomes that were more meaningful to the residents of the region.

The Power of Partnerships

An important commonality that emerged from this initiative was the incredible depth of partnerships across grantees, underscoring the value of a collective impact approach for community development. Partnerships were rich across most grantee communities. As graduates emerge from the program, many national community development intermediaries are finding ways to build off the work that has already been done and help regions implement their plans. Philanthropy continues its stewardship of sustainable community development issues; the sector was investing in many of the places most concerned with these issues long before HUD or the Administration re-visited the issue, and in many places are generational partners with community. Many grantees have worked to engage local foundations and philanthropists, who understand the value of collective action impact as well as anyone. In 2013, HUD and Living Cities, a collaborative of foundations and financial institutions, signed a memorandum of understanding to increase coordination between the two entities to help regions strengthen their capital absorption capacity to increase investment readiness, share lessons learned with the field, and test new models.

While the Partnership began as an alliance between three agencies, several other Federal agencies have assisted Partnership work and grantees, helping communities cut through red tape by aligning planning requirements and reducing unnecessary duplication. The Economic Development Authority partnered with HUD to allow its Comprehensive Economic Development Strategy planning requirements to be met by qualifying Regional Planning grants, reducing bureaucracy and improving access to vital planning dollars for scores of moderate-sized communities participating in the Initiative. DOT co-invested in one of the rounds of Challenge grant competition, creating a rare multiple-agency grant opportunity that underscored the critical importance of aligning housing and transportation planning. EPA provided resources for the capacity building for grantees, integrating important water and brownfields issues into communities' long-range planning. And federal-state partnerships began to take shape, with a handful of statewide grant recipients in the cohort who used the moment to reframe state policy priorities for economic resilience and sustainable development.
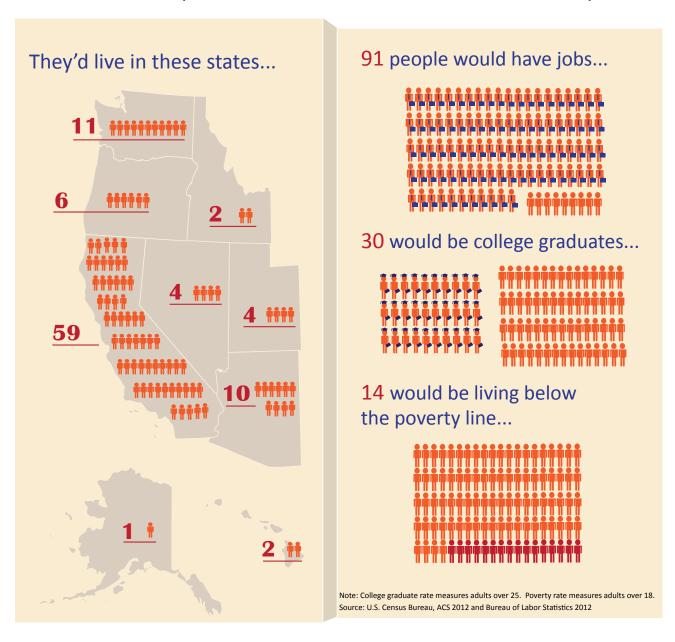
Conclusion: Poised to Put Plans to Action

As two-thirds of the community of grantees who comprise the HUD Sustainable Communities Initiative complete their planning processes, a broad array of elected officials, federal agencies, philanthropies, advocates, private sector interests, and community development entities wait to see just how much of the potential of the program can be achieved. SCI grantees are direct beneficiaries of a collective impact approach wherein the federal government is an effective partner. That partnership has come in several ways. As local communities have built a common agenda, multiple Partnership (and other federal) agencies have worked to acknowledge and support those agendas, coordinating investments and contributing staff time to those initiatives. The Partnership moves closer to developing performance measures that are locally relevant, nationally collectible, and adequate to the task of demonstrating progress toward sustainable development practices. At the Partnership and amongst numerous other federal agencies, there is increasing skill developing to find the mutually reinforcing activities while avoiding unnecessary redundancy. And by supporting backbone organizations within these regions (the lead grantee), the federal government facilitates cross-sector partnerships equipped to take on the complex housing, transportation, and workforce development issues most central to a strong economic recovery. Collective impact cannot transpire unless local leadership owns the process, but the SCI grants have demonstrated that the federal government can be a significant contributor.

Early evidence points to three key determinants of grantee success as communities and regions put their plans into motion. First, communities that are positioned to achieve the ambitious outcomes set forth in their original proposals took advantage of a planning framework for sustainable economic growth that was facilitated via federal resources but ultimately forged in local communities. Second, cross-sector partnerships are core to nearly every grantee – they are the only way that grantees can develop solutions to match the complexity of the issues facing local communities. Third, those who developed governance structures that capitalized on the power inherent in collective strategy development and discourse are now poised to move into action with significant implementation momentum. Only with the full participation of every sector can these communities and regions achieve the lofty, hugely important economic, social, and environmental outcomes that will serve all populations in the decades to come. CI

DATA SNAPSHOT

If the Entire Population of the 12th District were 100 People...

They'd live in these states...

11

6

2

59

4

4

10

1

2

91 people would have jobs...

30 would be college graduates...

14 would be living below the poverty line...

Note: College graduate rate measures adults over 25. Poverty rate measures adults over 18.
Source: U.S. Census Bureau, ACS 2012 and Bureau of Labor Statistics 2012

For these and other interesting facts about the 12th District, check out the 12th District County Profiles at http://www.frbsf.org/community-development/data/12th-district-county-profiles/

RESEARCH BRIEFS

Money Mismanagement Correlated With Homelessness Among Recent Veterans

Veterans make up 10 percent of the U.S. population, but it is estimated that they constitute between 16 and 32 percent of the nation's homeless population, indicating that veterans are overrepresented among the homeless. What accounts for this? A recent study suggests that while factors such as mental illness and physical injuries sustained during active service contribute to the homelessness seen among veterans, another significant correlation can be found between management of personal finances and housing stability. To identify the role that money management plays in veteran homelessness, Eric Elbogen, Connor P. Sullivan, James Wolfe, Henry Ryan Wagner and Jean C. Beckham drew on data from two waves of surveys of veterans conducted by the U.S. Department of Veterans' Affairs between 2009 and 2011.

The surveys prompted veterans to respond to questions about their personal and employment background and income, medical history, financial management practices, and housing situation. Most respondents were employed (75 percent) and had some education beyond high school (82 percent), but many also struggled with alcohol abuse (24 percent) or mental illness (28 percent). Yet the researchers noted that an even larger number – over 30 percent – of the veterans reported that they had mismanaged their money in some way between the first and second surveys. The authors observed that most veterans who faced financial problems had gone over their credit limit, had written bad checks, or were overdue on loan repayments.

Overall, five percent of respondents said they had been homeless for at least one night during the survey interval – a figure which is likely an undercount given that survey was mailed to veterans and those who were homeless and without a mailing address at the time of the survey would not have received it. What is more notable is that the homelessness rate among respondents varied considerably by income level and whether or not a veteran mismanaged his or her money. While less than one percent of higher income veterans with no history of money mismanagement found themselves homeless, nearly 15 percent of those with lower incomes and poor money management were homeless during the survey interval. Additionally, more of the veterans with higher incomes but poor money management reported homelessness episodes than those with lower incomes who managed their money well.

The authors suggest that veterans have limited opportunity during and after their military training and service to learn money management skills, which may explain in part the strong correlation between insufficient money management and instances of homelessness. They note that credit card debt is especially prominent among veterans with financial problems, and veterans are three times more likely to take out payday loans than the general public.

To help reverse these trends and better prepare veterans for return to civilian life, the authors suggest including a more thorough financial education program within the Transitional Assistance Program that service members attend during discharge processing at the end of their service. They also suggest that Department of Veterans Affairs assistance programs for currently homeless veterans include financial skills training to help veterans learn better money management behaviors.

Eric Elbogen, Connor P. Sullivan, James Wolfe, Henry Ryan Wagner, and Jean C. Beckham, "Homelessness and Money Mismanagement in Iraq and Afghanistan Veterans," *American Journal of Public Health*, Supplement 2, 2013, Volume 103, Number S2, pp. S248-S254.

Municipal Policies Preserve Affordable Housing Amidst Post-Recession Rent Pressures

Municipalities across the United States are grappling with a post-Recession housing paradox: just as demand is rising for rental homes affordable to low- and moderate-income renters, traditional funding sources for affordable housing construction and rehabilitation are running low. Cities and counties face the question of how best to build and preserve affordable units amongst rapidly rising rents and a boom in market- and above-market rate multifamily housing construction. A recent article by Edward J. Sullivan and Karin Power observes that given these realities and the shortage of funding, a growing number of municipalities are employing local policy tools as an alternative to help preserve and increase the availability of affordable units.

The authors note that there are many factors contributing to the need for construction of more affordable homes and preservation of existing affordable units. Among these reasons are reduced renter incomes, lower rental unit vacancy rates, and increased demand for rental units on the part of growing populations including seniors, minorities, and millennials. At the same time, the stock of existing affordable housing units is aging and many subsidized developments are reaching the end of their mandated affordability preservation periods. The authors explain that once the affordability clauses attached to many lower-rent subsidized developments expire, property owners may choose to convert the units to market rate, especially in light of parallel demand at the higher-priced end of the rental market, thus shrinking the existing affordable housing stock. Additionally, the majority of lower-priced rental units are not subsidized; without the restriction of affordability clauses owners of these properties can generally raise rents at will.

Lower-income renters are unlikely to have better luck with newer rental units, the authors note, since most multifamily residential buildings constructed since the mid-1990s are offered at market- or above market-rate rents. The authors also point out that traditional affordable housing development and rehabilitation subsidy programs such as the HOME Investment Partnerships Program and Community Development Block Grants have been deeply slashed in recent federal budgets, diminishing the funding available to cities and counties to devote to affordable development projects and inhibiting the addition of needed affordable units.

Despite fewer financial resources, Sullivan and Power emphasize that municipalities play an important role in ensuring the provision and preservation of affordable units due to their power to introduce and enforce policy solutions. The authors highlight three ways in which cities and counties are using regulatory solutions for affordable housing purposes in the post-Recession housing landscape: "no net loss" policies, rights of first refusal, and municipal building codes. "No net loss" policies require a one-for-one replacement of any affordable housing units that are removed from existing stock due to property deterioration or market-rate conversions. Under rights of first refusal policies, owners of existing subsidized or other multifamily buildings must notify the city or county of their intent to sell the property, at which point municipalities can offer the building for purchase exclusively for a defined period to non-profit organizations or public agencies that intend to retain affordable housing or convert market-rate units in the property to affordable homes. Through municipal codes, municipalities can provide conditions specific to affordable properties, such as waived permit and land use fees, reduced parking requirements, or streamlined development review processes, all of which can help to lower development or rehabilitation costs for affordable housing developments. The authors suggest that municipalities consider employing such policies to help preserve their existing affordable housing stock and provide additional lower-rent units in light of the steep demand for such homes.

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