

DEVELOPING A
COMMUNITY
FOUNDATION
AFFILIATE

A CASE STUDY | APRIL 2006

COMPARING EFFORTS IN THREE
REGIONS OF SONOMA COUNTY:
HEALDSBURG • WEST COUNTY • PETALUMA

RICHARD BURG
SIMPLE IDEA



SUPPORTED BY:

the **James Irvine** foundation
Expanding Opportunity for the People of California

TABLE OF CONTENTS

Executive Summary | 3
Introduction | 5
Context | 7
Healdsburg Area Affiliate | 11
West County Exploration | 21
Petaluma Proposals | 28
Analysis | 36
Conclusions | 42
Questions For Reflection | 48
Appendices | 50
Author's Note | 56
Acknowledgements | 57

click to jump to chapter

EXECUTIVE SUMMARY

IN 2002, Community Foundation Sonoma County began an outreach effort in four distinct areas of the county, with the goal of establishing one or more affiliate funds. Inspired and shaped by a monograph published by The James Irvine Foundation in 2001, the Community Foundation efforts were initially focused on Healdsburg, Petaluma, West County and Sonoma Valley. The idealized goal was to launch an affiliate fund in each geographic area. While that did not occur, significant benefit has been realized. This report, supported by The James Irvine Foundation, documents these efforts in the hope that other community foundations interested in starting affiliate funds might benefit from the strategies and processes applied here.

Of the four areas, Healdsburg is the only one to have created an affiliate, with an endowment that is now approaching \$1 million. Sonoma Valley was not investigated for this report, due to a lack of activity in the time period studied. In West County and Petaluma, significant efforts were made to find a path to the formation of affiliates, but for varying reasons, none led to the desired outcomes.

Healdsburg's success could, in part, be attributed to the determination of the initiators and the good fortune of having a benefactor who put up a significant matching grant. However, as this document indicates, Healdsburg's success was also built upon an unusual combination of individual commitment, group cohesion, and a clearly defined goal. These elements were lacking in West County and Petaluma.

This report looks closely at what occurred in each community, comparing and contrasting each community's philanthropic endeavors and idiosyncrasies. It examines and discusses the strategies used in each, and offers an analysis of what worked and what didn't. The report is aimed at both community foundation professionals and community members who are interested in the processes, successes, constraints, and results of affiliate outreach efforts in three very different communities.

The report outlines the activities that led to the birth of a successful affiliate in Healdsburg: a core of volunteers began as a loose group, over time becoming a committed team and eventually forming an affiliate advisory board. Healdsburg's story suggests that this process cannot be driven solely by individuals or an organization, but needs citizen participants working for the whole.

In Petaluma and West County there was no champion driving the formation of an endowment, although each in its own way was rich in philanthropic institutions and impulses. Without an idea born from within, neither ever witnessed the emergence of a group that imagined and nurtured a new institution.

The report is supplemented by numerous appendices. There are timelines for Healdsburg, and links to source materials used in each area. In Healdsburg's case, there are formation documents, collateral materials, newspaper stories, and current web-based documentation. There are also web links to resources at The James Irvine Foundation which provided some of the impetus and ideas for affiliates.

This document is on the web site of
Community Foundation Sonoma County:
http://www.sonomacf.org/Affiliate_Case_Study/REPORT.pdf

INTRODUCTION

Community is one of the strongest expressions of the social impulse of humanity. We use this word when we want to reference a qualitatively different experience of a group. It permits us to transcend political boundaries, religious affiliations, fraternal collectives, and other social structures with strong membership criteria. Community embraces the edges of our collective experience, both implying and confirming our interdependence. It is a big and generous word, which often inspires generous acts. If we look at it as a phenomenon which describes boundaries, we'll see that it is more permeable than patriotism, tribalism, nationalism, and other identifying characteristics of human collectives. We get pleasure from participating in and find safety recognizing the community we live in. Recognizing our community allows us to support it, give to it, and share with it, in ways that pull us out of our daily routine and self absorption. We can respond to the needs of our community without demanding to know the names of beneficiaries. Serving the needs of the community is knowledge enough.

ONE HUNDRED & FIFTY years ago, in a small agricultural town in Northern California, Harmon Heald opened a general store, laid out a street grid and sold lots — but he also deeded plots of land to local religious denominations for the building of houses of worship. Significantly, he designed his town around an open public space, which — depending on the viewer's background — evokes a village green, a town commons, or a Spanish-style plaza.

Heald's *Plaza* is still in downtown Healdsburg and continues to be a center of civic life and a source of pride. The spirit of generosity in Heald's gift continues six generations later. Today, both new and established Healdsburg families recognize the need to reach outside their circles of comfort, by supporting and leading community institutions.

This is the story and analysis of the launch of the Healdsburg Area Affiliate, Community Foundation Sonoma County. This report identifies Critical Success Factors that enabled the rapid and robust establishment of a new philanthropic institution that created a new community endowment. The report also compares two parallel efforts elsewhere in Sonoma County that did not result in the formation of affiliates. They are all part of the region Community Foundation Sonoma County serves, and were included in an outreach effort begun in 2001 and sustained in part by funds from The James Irvine Foundation.

Beginning in July 2002, conversations between a few individuals led to the formation of an Organizing Committee in Healdsburg. By the end of 2004, a formal Advisory Board had been created, the first competitive grant cycle had taken place, and the Affiliate had more than \$1.9 million in all funds, including the endowment, the Healdsburg Area Fund, with nearly \$600,000.

Healdsburg's experience might be encouraging and potentially useful to other Community Foundations in other regions interested in launching affiliates. This report considers the individuals involved and their social networks, the structure of the original working group, the impact of demographics, the support and guidance offered by Community Foundation staff, and the sequence of steps taken.

“The key to an affiliate’s success is having relationships with people.”

CH
CFSC consultant

In Petaluma and West Sonoma County, efforts were also made to explore the formation of affiliates, but no leadership emerged to sustain the development. What was different in Petaluma and the West County? The Community Foundation staff had made contact and believed there were viable nodes of interest. These proved to be unproductive after informational meetings were held to explain the affiliate concept and seek interest and potential support.

To set the stage for the analysis, contextual information is presented about each community. This report is based upon more than thirty interviews with community members, staff from nonprofits, Community Foundation staff, board members and donors. They generously shared their experiences, notes, and recollections. This anecdotal data is used to explore what contributed to the rapid establishment and sustained growth of the Healdsburg Area Affiliate.

CONTEXT

In 2002, Sonoma County was in the throes of an economic downturn, as was the rest of the country. The recession had begun prior to the 9/11 terrorist attacks, but worsened after. The downturn hit hard in “Telecom Valley” in the south of the county, where a cluster of high-tech firms had emerged as innovators in internet technology and become a significant economic engine. Economic growth slowed throughout the county — the consolidation of companies continues today. The residential building boom of the 1990’s slowed, as did the resources and interest in charitable giving. As a balancing factor, Sonoma County had been “discovered” by well-off, mobile retirees who sometimes come from places where a culture of philanthropy is better established.

Sonoma County

AN HOUR NORTH of the San Francisco Bay Area, Sonoma County is a large and geographically diverse region of slightly more than 1 million acres, 50 miles long and 30 miles wide. It stretches from the Pacific Ocean to the Mayacamas Mountain range, includes several very productive valleys, known for their wine grapes, and to the southeast, reaches the northernmost tip of San Pablo Bay, which connects to San Francisco Bay. At the time of the 2000 census, the population of 458,000 was distributed widely, with 65% living in nine cities, 10% in unincorporated communities, and 25% in rural areas. Between 1990 and 2000, the population grew 18%. The county has more than 1,500 nonprofit organizations. The cities of the county range in size and character from sleepy and funky Cotati (population 6,431) to the bustling and fast-growing county seat, Santa Rosa (population 147,595).

The three cities discussed in this report represent 16% of the population of the county. Each community has a “sphere of influence,” which includes rural areas that interact with the larger towns for shopping, education, culture, and social life.

Community Foundation Sonoma County

COMMUNITY CONCERNS about adequate funding for human services led to the founding of Community Foundation Sonoma County in 1983 with an initial gift of \$9,000. In 1984 it merged with the Santa Rosa Foundation. By 1988 it had \$1 million in assets. Until 1996 the Community Foundation had a relatively low profile, which changed when it received a \$16 million bequest from the Charles DeMeo Trust, designated for support of a teen center and for homeless families. The DeMeo bequest attracted larger donations and allowed the Community Foundation to increase its distributions and visibility. Today the Community Foundation's assets total \$115 million and a cumulative total of \$57 million has been distributed in grants.

In February of 2002, the Sonoma County Community Foundation was renamed, Community Foundation Sonoma County. The name change was intended to make it clear that the organization was not part of county government. Still, several interviewees in Petaluma referred to it as "that Santa Rosa foundation." There is a long standing competition between these two communities, dating back to the Civil War. Santa Rosa was for the Confederacy. Petaluma was not only a Yankee city, but also believed it should have been the county seat. It is not surprising that a Santa Rosa-based organization would be referred to as 'other,' even imprecisely.

Community Foundation Sonoma County participated in the *Community Foundations Initiative*, a program of The James Irvine Foundation. Begun in 1995, it was a seven-year, \$11 million effort to "assist seven small/mid-sized community foundations to increase their philanthropic capacity, leadership roles and ability to serve as a catalyst for positive change in their communities." The plan was to accelerate growth, build capabilities, and generally become more effective philanthropic catalysts.

But in 2001, the Community Foundation began to experience significant fiscal constraints, due to regional and global economic trends, reflected in stock market performance. Income from fees on fund balances was well below the levels of previous years, and it was necessary to reduce overhead. At the beginning of 2002 the equivalent of three full time staff were lost through reduced hours and layoffs. The staff reduction included the loss of the Vice President, Development and the arrival of her part time replacement. It would be an

understatement to describe the situation as a blow to organizational capacity. It was particularly unfortunate that this contraction occurred simultaneously with the end of funding from the *Community Foundations Initiative*.

In 2002 the League of California Community Foundations created the *Visibility Campaign* to disseminate information and increase the visibility of 29 community foundations in California. This included a web site and the sharing of materials among members; it also provided Community Foundation Sonoma County added incentive to initiate an outreach effort.

Irvine Outreach Grant

IN OCTOBER 2002, The James Irvine Foundation provided a six-month, \$35,000 grant to Community Foundation Sonoma County to support the creation of affiliate funds in Petaluma, Sebastopol, Sonoma Valley, and Healdsburg, using the model described in the publication *Affiliate Funds: A Rising Practice in Community Philanthropy*. The Irvine Foundation's long-standing interest in the field of community foundations joined with initial efforts launched by the Community Foundation. The scheduled departure of the Vice President, Development of the Community Foundation and the increased pace of activity in several Sonoma County communities led to the request for this support. Both institutions recognized the importance of building local philanthropic and leadership capacity and this specific opportunity allowed Irvine to support the Community Foundation. The hope was that this support might create a framework for other community foundations as they sought to develop the fundraising and grant-making capacities of affiliates.

The Whole Wide World

WHILE THIS REPORT primarily examines the success of Healdsburg and offers interpretations of different outcomes in Petaluma and West County, there were global trends worth noting, because they were in the news and on the minds of everyone involved in these efforts. We start our examination in the beginning of 2002, four months after the terrorist attacks on the East Coast. Even in California, the world had not quite righted itself. Tourism, the lifeblood of so many California communities, was severely impacted by 9/11. As life continued, the unbelievable magnitude of the attack's impact began to diminish, but the national mood clearly dampened collective enthusiasm for the future.

The economy, the underlying engine for personal philanthropy, was in a downward slide. The local manifestation of the technology boom, Petaluma’s “Telecom Valley,” began to struggle and shed jobs, and capital became scarce, gifts smaller, returns on assets lower. Families tightened their belts and nonprofits felt a dramatic change. The state economy experienced the largest deficit in decades, with the double impacts of energy deregulation and heavy losses in personal wealth (and subsequent lower tax collections).

It was against this uncertain backdrop of world and regional upheaval that Healdsburg succeeded in launching an affiliate, yet nothing came to fruition in two other communities. There was no clear-cut beginning to this idea in these two communities; there had been earlier conversations in each. For some, the Community Foundation was already a known quantity, as a vehicle for donation, a grant maker, or a sponsor of a charitable enterprise noted by the media. But The James Irvine Foundation had published its monograph on affiliates in November of 2001 — the idea was in the air, and was a focus of conversation at the Community Foundation’s Board Retreat in late 2002. It is not surprising that in one community, one person’s idea of a local foundation led to a relationship with Community Foundation Sonoma County.

HEALDSBURG AREA AFFILIATE

Healdsburg, a rural paradise once known as the Buckle of the Prune Belt, suffered economically in the 1970s, then rode a lifestyle trend to success. Today it is a destination for visitors from around the world, with dozens of premium wineries, several upscale hotels and many fine restaurants and boutiques. This renaissance has attracted new residents with an interest in community and philanthropy. Working within a local tradition of collaboration and generosity, a diverse group of citizens launched an affiliate of the Community Foundation. More than twenty-five people participated in this startup.

Context

A SMALL COMMUNITY with an agricultural history, Healdsburg is 15 miles north of Santa Rosa. It feels isolated from other communities by geography and the evolution of the built environment. Extending over 300 acres, bound on the east by the Russian River, to the west by Highway 101, and further constrained to the north and south by an Urban Growth Boundary, the city has seen modest population expansion. In 2000 the population was 10,722, the result of 12% growth for the previous decade. In contrast the county grew 18% in the same period, Petaluma 21% and Sebastopol 10%.

Despite its slow population growth, the city and the surrounding valleys have seen significant economic expansion as one of the premier wine-growing areas of California. With this success, the demographics have gradually but profoundly shifted. In the last decade, there has been an accelerating migration of people of means, looking for second homes and retirement opportunities. These new residents brought significant capital resources, generated by the stock market bubble of the 1990s. Many of these newcomers live in the surrounding valleys, not the city proper, but come into town for recreation, commerce, and social interaction. Geyserville, an unincorporated village seven miles to the north, and part of the Healdsburg Area Affiliate's designated region, has a population of about 2,300.

Along with this influx of affluence, the local economy was energized by home building and remodeling activity, due in part to the larger homes the new neighbors desired, and attributable also to a politically powerful sentiment for slow growth, which assures that demand for housing continually exceeds supply. The newcomers brought a new sophistication and consciousness about community services and needs. Attracted by the small-town feeling and sense of community, new citizens in the city's sphere of influence revitalized historic and stable patterns of support to community entities. Permeating and invigorating the pace of change was the rapid and sustained growth of the wine industry. In many cases, a "trip to Wine Country" had been the newcomers' first experience of the Healdsburg area.

While older Healdsburg families are accustomed to rolling up their sleeves and getting directly involved in good works, new residents — some of whom live in the area only part-time — have an interest in and prior experience with charitable giving. As a City Council member and longtime community volunteer put it, "*the demographics have changed. We used to have do-ers, now we have donors.*"

It is not surprising that among those arriving were some whose interest in philanthropy would take shape in action. The "donors" became "do-ers" at a different level.

"Many of the people who got involved were newcomers, who wanted to be in a community that is different than where they were before."

LK
Organizing Committee

Philanthropic Character

THE PLAZA

In 1857 Harmon Heald platted his property alongside the Russian River and began to sell lots to local businessmen. He also deeded a large parcel, not far from his general store, to the community for a town square. A savvy businessman, he created a center of community life that has survived to this day. His generosity did more than create a commercial center to further his own economic interests. He also deeded lots to churches in the village, helping establish a social structure that would set the stage for the emergence of a vibrant town.

THE LIGHTING COMMITTEE

Shortly after World War II, the Healdsburg Lighting Committee formed to install and construct a lighting system in Recreation Park for the "*playing of baseball, softball, football and any other recreational activity.*" The committee members, many of whom were World War II veterans, were already active in the civic life of the city. Counseled by a prominent local attorney, they set a goal to raise \$20,000 in two weeks through the sale of non-interest-bearing bonds. After selling

twenty-five \$500 notes, they sold the remainder in any denomination, even \$5. The last of the small notes was paid off in 1966. The committee took a percentage of ticket sales to pay off the bonds and finance improvements. Over 35 individuals served on the Lighting Committee in 29 years, until 1977, when the city took over.

A Healdsburg resident recalled her father's involvement, "*In my memory, I will always see Healdsburg and her people as very caring, giving people. All the money given for the ballpark lights was returned over about a 20-year period. My dad pledged \$1,000. After he died in the '50s, my mom continued to receive payments from the Lighting Committee until the full amount was paid back. Everything was done with a handshake in those days. If something in the town was needed, the donations were given freely. It was always that way with the people of Healdsburg.*"

A QUIET GIFT HAS NO BOUNDS — A CONTEMPORARY EXAMPLE

Similar efforts continue in modern times. In 2000, the community celebrated the opening of a skate park, dedicated to the memory of a local boy who died in an accident not long after writing a letter to the mayor, asking her to support a skate facility. The Carson Warner Memorial Skate Park was a community-wide labor of love, drawing donations and support from throughout the Healdsburg area. The family-owned construction company that managed the project now adopts a new public project each year. Their stature in the community is such that they bring along other tradespeople, from painters to plumbers, from plasterers to landscapers. In the last few years, the dedication of one family has helped create a new bathhouse at the community pool, the aforementioned skate park, renovations at the senior center, and a Little League building. At this writing, a teen center is almost complete. What is most notable about their contribution is that they lead from behind. The process by which they choose a project, the source of funding, and recognition for the effort are all deliberately downplayed.

First Steps

IN 2002, an area resident who had been an active board member and volunteer with several local nonprofits, became concerned about the funding needs of nonprofits in the community. DB, a mid-career attorney working part time in Santa Rosa, had moved to Healdsburg in the early 1990s. Her circle of friends included sophisticated

newcomers, some retiring from corporate life and nomadic careers. Some were part-timers, spending weekends and vacations in the area. Many in this circle of affluent arrivals had commitments and connections to worthy causes outside the area. Some already had funds and trusts with other community foundations. A former colleague asked DB, “*Why not start a community foundation in Healdsburg?*”

DB felt that the community needed a local focus to channel the philanthropic desires of these full-time and part-time residents. This would provide an alternative to what she believed was a steady stream of cash flowing out to worthy causes elsewhere. Her primary motivation was to establish a method for local needs to be met with local gifts. This matches the core purpose of a community foundation — to facilitate these kinds of community benefits through a charitable organization.

A friend, HW, had just renewed his term as Chairman of the Board of Community Foundation Sonoma County. A lunch conversation between them steered DB toward the idea of an affiliate, although, as he later said, she would have done it with or without the Community Foundation. At their September of 2002 retreat, the Community Foundation Board made a strategic decision to pursue the formation of several affiliates. For DB the timing was auspicious. By establishing an endowment fund, an affiliate could begin to meet needs in the community and persist into the future, offering residents a way to redirect some of their charitable giving.

Meanwhile, another key player was also thinking about how to help his community.

“We had the right collection of personalities; grape money, and bedrock Healdsburg types.”

*JL
Organizing Committee*

Organizing Committee

IN EARLY 2002, JL, Healdsburg’s mayor, saw a billboard in Truckee, California that thanked the community for supporting the Truckee Tahoe Community Foundation. JL called the mayor of Truckee to find out what a community foundation was. The City of Healdsburg already had a competitive Community Benefit Grant program, funded by the proceeds from the sale of city property. JL wondered if a community foundation might be a mechanism to expand that program, which was then giving away \$50,000 a year. A short time later, DB, already thinking about a Healdsburg affiliate, called him. Their conversation led her to ask if he would join her in creating a group that could start an affiliate in Healdsburg.

JL and DB met several times and discussed whether to form a local foundation or an affiliate. The idea of an affiliate seemed appropriate, and they began to reach out. They were strategic in asking others to help. They wanted the agricultural valleys represented, along with nonprofits and cultural groups. They gathered a group that was ready to work together, with many points of view from the community represented, without people feeling the need to act as representatives. Everyone spoke for themselves and their interest in the task at hand. Conflict arising from individual interests and alliances never impeded the work. Individuals came and left the core group at various times, based on their personal interests and availability. For many, it was a leap of faith and trust that this small group could represent the region and work for the whole.

Within two months there was a roster of nine ready to work on building the *Founders Circle*. The remarkable thing about this group, which at its peak had 20 names, was its relentless focus on making progress. Members came and went; some lent their names but no activity, others came to one or two meetings, contributed (or not) and moved on.

At the same time, Community Foundation Sonoma County was undergoing development staff changes. To help Healdsburg stay on track and stay connected, the Community Foundation requested and received funding from The James Irvine Foundation to hire a consultant to help provide continuity. Since the Community Foundation Board of Directors had made a commitment to pursue the affiliate strategy, the grant also supported outreach efforts in Petaluma, West County, and Sonoma Valley.

One of the first discussions in Healdsburg was about the name and the area to serve. The decision to include more than the municipality itself came easily, as all recognized that “Healdsburg” describes more than the city limits. And it was not difficult to include Geyserville, defined by its zip code and its dependent relationship to Healdsburg. Several names were explored: “Healdsburg and Geyserville”; “Healdsburg Geyserville”; but the group settled on “Healdsburg Area” because even Geyserville, which has a school district, post office and fire department, is oriented toward Healdsburg for much commercial and social activity.

The only serious tension was with the Healthcare Foundation Northern Sonoma County, which existed primarily to support Healdsburg Hospital. The Healthcare Foundation and Hospital District Board of Directors saw the Healdsburg Area Affiliate as a threat at a time of

their great need. The case made for the Affiliate explicitly discouraged the redirection of donations already committed to existing nonprofits, yet the concern persisted. Only now, four years later, has the relationship with the health care entities become less strained.

The Matching Grant

DURING THE EARLY STAGES of the affiliate’s formation, the Community Foundation was working on a significant matching grant. An anonymous donor, with existing relationships to the Community Foundation, had expressed an interest in helping stimulate the growth of the Healdsburg Area Affiliate. With the Community Foundation acting as a go-between, the details were worked out. The matching funds were all designated for the Affiliate’s endowment fund. The primary goal was a focus on sustainability — to build the endowment while increasing participation in the Affiliate.

Reaching Outward

READY FOR A FORMAL LAUNCH, the Organizing Committee worked with the consultant to plan an informational gathering at DB’s home. A brochure was designed and printed. On May 13, 2003, almost 50 people came together to hear firsthand about the Healdsburg Area Affiliate. Attendees reported that it was a comfortable and informative gathering. The food and wine were good, the mix included people from different segments of the community, with many overlapping interests. The CEO of the Community Foundation, KM, spoke, along with DB, JL, and KE, then Director, Development, as well as HW, the Chairman of the Community Foundation Board. An announcement was made about the \$500,000 matching grant from the anonymous donor. The event was designed to get the word out and recruit participation on the Organizing Committee. The subtext was that this entity would not compete with existing nonprofits, but rather, establish an endowment for the area that could channel local dollars to local needs. Attendees were asked for pledges to support the Affiliate and help earn the match funds.

Shortly after that gathering, a public meeting was held at the Raven Theater. A notice in the local paper and direct communication between the Organizing Committee and the nonprofit community, drew 25 people, almost all from nonprofits in the area. The hour-long talk was designed to inform the nonprofit community about the launch of the Affiliate, assuage their fears concerning competition for donors, and explain the relationship of the Affiliate to Community Foundation Sonoma County. The nonprofits were encouraged to move their

“Expansion of the Organizing Committee was based on a commitment to community, people who can work in a group, and who were skilled at building momentum and consensus.”

*DB
Organizing Committee*

organizational and endowment funds into the Affiliate, both to leverage the financial management expertise of the Community Foundation, and to be part of the matching grant. The match donor had agreed to match up to \$25,000 of all organization funds that came into the Affiliate.

In July of 2003, a Memorandum of Understanding was finalized with the Organizing Committee. This agreement defined the relationship between the Organizing Committee, the Affiliate Board, and the Community Foundation. At about the same time, the transitions at the Community Foundation were complete: MG, the consultant who had been hired with funds from the Irvine grant, completed her contract, and KE, the new Director of Development, had full responsibility for supporting the Organizing Committee.

Between September of 2003 and May of 2004 the Organizing Committee continued to make presentations to community groups, seek organizational funds to bring under management and approach selected individuals to establish donor advised funds. The talks emphasized the non-competitive structure, explained how organizational funds could come in with no loss of control (and perhaps an opportunity to increase returns), and the benefit to the endowment of the match.

The structure for all of this activity was the *Founders Circle*, first announced at the May house party, with an invitation to join in the establishment of a “permanent endowment” to benefit the community. Two committee members were particularly active in reaching out personally to friends and neighbors. One committee member wrote 95 personal letters to friends, and met with each to explain the Affiliate.

By Spring of 2004 the committee had identified the first three grant programs for the Affiliate, proposed a meeting for professional financial advisors, and established development, publicity, and grant committees. The group conceived a campaign in April, to announce the closing of the *Founders Circle* and the formal establishment of the board of the Affiliate. The campaign, called *Enlarging the Circle*, was to be a populist push to include as many community members as possible, allowing participation for any amount. Unknowingly, the Organizing Committee was replicating the openness of the Healdsburg Lighting Committee’s bond sale.

Enlarging the Circle involved the production of a new brochure, using the concept of a “Philanthropic Swiss Army Knife.” A full page advertisement was placed in the Healdsburg Tribune, using the image of the knife, the text from the brochure and other materials developed as talking points for group presentations. This push to enlarge the circle required enormous effort and coordination. Each committee member personally developed a list of contacts who would receive a package. These packages were produced and delivered to committee members, present and past, active and inactive. As a result of the Push Campaign, there were 200 new donors in the *Founders Circle*, a few of whom only gave \$10. A few weeks later another advertisement in the Healdsburg Tribune listed and thanked all those who joined.

A picnic was held in September of 2004 to thank the community for making the Affiliate a going concern, and to recognize the *Founders Circle*. This plan to increase participation in the Affiliate was deemed successful — and more than 100 Founders attended the picnic.

The Grants Committee was also active in the spring, finalizing programs, criteria, and planning an Applicants Workshop, held in July, which introduced the three grant programs to 30 people, representing a dozen local nonprofits. The first grant cycle, with an application deadline in October, yielded eight applications. With the agreement of the anonymous donor, \$25,000 was made available for grants, even though this was more than the normal payout of the endowment. Site visits were organized by the Community Foundation staff, and the Grants Committee convened after ranking the applications on the established criteria. The meeting of the committee was an exercise in group decision-making. Separating the emotional appeal of applications from the documented criteria was a learning process for all. The grantees were notified in December of 2004 and checks distributed to the successful applicants in January. The unsuccessful applicants were contacted and the weaknesses in their applications were discussed with them. The Program Director of the Community Foundation played an important role in guiding this process, although he said working with such an active and “hands on” grants committee was a new experience for him.

A Culture of Openness

A DESIRE to keep participation in the Affiliate open, is an echo of a strategy from the early days of the Organizing Committee. They wanted to expand their membership, but needed a way to introduce

potential new members to the group and the work. A committee member would have a conversation with a friend or acquaintance and then invite them to the first half-hour of the monthly meeting. This provided both an introduction to the group and an opportunity to ask questions about the Affiliate. Over eighteen months this strategy was used a few times, but was less important in practice than in concept. In one instance, the visitor left after thirty minutes, unsatisfied with the brevity of the introduction. In another, the visitor stayed longer and the group began to work, forgetting to hold a more formal boundary. When the group realized they were talking about confidential matters, the guest was diplomatically asked to leave. Conceiving this idea and being willing to tolerate these interruptions was a significant step in the group's development.

This mechanism represented the emerging culture of the work group, a culture that has been extended by the Advisory Board in the creation of another populist approach to participation. Joining *Friends of the Healdsburg Affiliate* allows members of the community, not able or ready to make significant current gifts, to get involved. They can stay apprised of Affiliate activities, attend events, such as the picnics or grants workshops, and continue to spread appreciation of the real and potential value of the Healdsburg Area Affiliate. The *Friends* represents an open invitation for anyone in the community, regardless of means, to join the Affiliate and support its purpose.

Discussion

AT THE TIME the Organizing Committee was forming, the Community Foundation was not very visible in Healdsburg, even though there were individuals from Geyserville and Healdsburg who had served on the Community Foundation Board. An affiliate structure was suggested to DB by her friend, the current Chairman. Another past Chairman joined the committee. Although not well known to newcomers in Healdsburg, he had many longtime friends in the agricultural sector, providing a link to the region's roots and to what "old money" there was. But in the end, the group was successful because they were focused on the task, not the members' history or an understanding of community foundations. The idea generated real enthusiasm from the beginning and everyone learned what they needed to know as they moved forward.

The group that came together during the development phase continues to support and promote the Affiliate. Today the Healdsburg Area Affiliate has had its second picnic, run a second grants workshop,

made a second round of grant awards, published its second newsletter, and launched the *Friends* program.

Without the staff support provided by the Community Foundation, there would not have been steady growth. Although both the Organizing Committee and the Advisory Board had talented and committed members, day to day they were attending to their own lives. Progress was only possible with the contribution of staff — preparing agendas, scheduling site visits, managing document production — delivering all the operational support necessary for continuity and reliability. Of course, the financial management of gifts and accounting proceeded invisibly in the background, with regular reporting to the Advisory Board.

The rate of funds received and donor gifts ebbs and flows with the seasons and the modest marketing done by the Affiliate. A new goal has been set to bring the endowment up to \$1 million and then focus on long term goals, including bequests, organizational funds, donor advised funds, and charitable trusts. A new matching grant program will leverage \$300,000 pledged by six local families. The board plans to revisit the idea of a professional advisors forum, and to reach out to larger potential donors, including businesses, to help them further their own charitable interests through the Affiliate. At the end of 2005, the Healdsburg Endowment Fund had grown to \$700,000. There were a total of 23 component funds, including donor advised and organizational funds. There were 315 donors, which included *Founders* and *Friends*, who gave 420 separate gifts.

The gradual expansion of the Organizing Committee over almost twelve months provided extraordinary breadth and depth of capability. The group was able to continue, in spite of the coming and going of many individuals, tensions around perceived competition for health care funds, and little understanding in the community of the basic community foundation idea. They stayed the course, adapting to changing resources and schedules, held together by a clear goal, gentle direction, and a committed leader.

WEST COUNTY EXPLORATION

The West County is a region of Sonoma County that doesn't really have a center, although the city of Sebastopol acts as a gateway, being at the intersection of two major state highways. "West County" is an identifier which encompasses several unique topographies and local identities: river communities that were once vacation getaways, coastal communities that once depended on the fishing industry, and hill communities once known for abundant apple orchards. The archipelago of villages is so physically, culturally, and economically diverse that it may never solidify. West County is in a continual state of becoming something else. Politically and socially, it is as diverse as its geography, with organizations focused on issues extending beyond the region itself, such as land use, watershed, agriculture, and coastal conservation. These outward looking concerns reflect a diverse and dispersed independence that works against finding common ground.

Context

THE WEST COUNTY includes the city of Sebastopol and the unincorporated areas surrounding the communities of Occidental, Guerneville, Monte Rio, Cazadero, Duncans Mills, Bodega, and the Sonoma Coast, including Bodega Bay, Jenner, Timber Cove and Seaview. While Sebastopol, 56 miles north of San Francisco and just seven miles west of Santa Rosa, may be the "nexus" of West County, it is more like a nerve ganglion, a crossroads of signals and traffic. It connects places that are about as disparate as they could be within this county. Two significant roads — State Highways 12 and 116 — cross in the center of the town, inhibiting the coziness and sense of comfort, safety, and serenity produced by a central plaza like Healdsburg's. There is always motion in Sebastopol; at any given time, a significant portion of the auto traffic through town is on the way to somewhere else. Sebastopol lies just 13 miles from Bodega Bay and the Pacific

coastline. Much of the traffic on the east-west route is passing through for a visit to the ocean. The destination of traffic on the north-south route is the Russian River recreation region, only 10 miles north.

Sebastopol has an iconoclastic reputation. It is a nuclear free zone. It has several sister cities. It has a City Council dominated by Green Party members and a populace passionate about environmental and social justice. The villages of Occidental, Forestville, Graton, and Freestone relate to Sebastopol as the economic center of their lives, even though it isn't much further to Santa Rosa to the east, or Healdsburg to the north.

The string of communities along the Russian River, including the largest, Guerneville, are places unto themselves. Subject to repeated flooding and mud-slides, they have a summer recreation tradition that goes back over 100 years, but they are not cohesive or economically stable. The river communities are havens for individualists. With poor infrastructure and a limited economy, the cost of living is lower than much of Sonoma County, attracting those who must survive on limited means. The coastal communities, Bodega Bay, Jenner, and Sea Ranch, while in the western-most area of the county, hardly fit in the bucket called West County, if only because they feel so far away to those who don't live there, and so different than the inland areas to those who do. They are home to many vacation dwellings and retirees.

“People move to West County to be left alone, to be isolated. There's no community identity.”

*KW
City Official*

In 2000, Sebastopol's population was 7,774. The Sebastopol Chamber of Commerce describes a “West County market area” of about 50,000 people. Economically and geographically, the West County is a collection of widely differing needs, interests, and capabilities.

Philanthropic Impulse

EARLY CONVERSATIONS with the Community Foundation in the West County, specifically in Sebastopol, came about through the efforts of individuals in the West County community. In 2000, a group came together in a format referred to as a “giving circle,” and called themselves the *Wednesday Funders Group*. Brought together by a financial planner and a social activist, many of them were strangers to one another. They went as a group to a conference in San Francisco sponsored by Social Venture Partners. They agreed to be more pro-active as donors and to be influenced by what was going on in the world. They invited Community Foundation Sonoma County staff to talk with them. KM, the CEO and LM, Vice President, Development at that time, gave them ideas and options.

At that time the group was about twelve people, from six households. Following a November 2000 meeting, they received an enthusiastic letter from LM, outlining how she could support their explorations. They decided to find a project they could fund. They each made a deposit into an special account set up for the project.

They went forward with the Community Foundation providing a philanthropic umbrella — a ‘committee advised fund’ — but not otherwise involved. ND, one of the original group, said, “*We were probably too independent. But by spring we had identified the need for a counseling program at the (Analy) high school.*” They reached a consensus to support this project after the suicide of a high school student and after research on services at the high school. They were able to work with a local agency, West County Community Services, to deliver counseling services in the school. Although the whole group had contributed, there were only four or five still active at the time the counseling project began. The group’s commitment was for two years — three-quarters of the group followed through and made a donation the second year. ND and another woman from the group continue to work on the counseling program, which is now supported by local fund raising and grants.

Outreach

SEVERAL Community Foundation Sonoma County board members and members of the Professionals Advisory Group lived in the West County. Nevertheless, until the outreach commitment was made, communication with the West County charitable community had been ad hoc and unfocused.

In May of 2003, CH, a consultant from Sebastopol who had worked with the Community Foundation previously, was hired with the Irvine funds to support the outreach program. Her assignment was: “... to hold a meeting with a group of West Sonoma County philanthropists, community leaders and key individuals to explore the concept of how a community fund could benefit West Sonoma County and whether there was enough interest for members of the West County to start an affiliate of the Community Foundation.” Her contract was for May 12 through June 30. CH’s definition of the West County was geographically precise, much like the one used at the top of this chapter. By contrast, one longtime resident said, “... West County is a state of mind ... a few zip codes ... a little flakey and loose ... rough around the edges.”

In preparing her work plan, CH contacted several donors in the West County area. In early May, after talking with ND, a sponsor of the counseling program, CH told the Community Foundation that she needed to talk to other key donors to *“develop our thoughts and substantiate the need (or lack of need) for the West County Affiliate Fund by interviewing five community leaders.”* Her description of the purpose of these face-to-face meetings: *“... to discuss the affiliate fund concept and receive feedback. The findings of these interviews ... [will guide] ... the design of a special event/meeting with 25-75 philanthropists and key individuals to determine the feasibility of a West Sonoma County Affiliate Fund.”* CH scheduled these meetings, and collected answers to eight questions about an Affiliate fund. Notes from these interviews suggest these leaders supported the idea, but were skeptical about the likelihood of action. To a question about ‘the realistic philanthropic potential of the area,’ one respondent said, *“the capacity is there, whether it’s willing to come out of the woodwork is another question. It’s very quiet and invisible.”*

Three of the six interviewees made it to the meeting, scheduled for June 26 at the home of a Community Foundation Sonoma County board member. While the board member greeted the guests, he was not able to stay for the meeting, which felt awkward to some of those attending.

To create the invitation list *“West County philanthropists and key individuals”* were identified using a very specific definition: *“... those who live in the West County, have homes in the West County or those who own or are principals in businesses that operate in the West County and: 1) are board members of the Community Foundation; 2) are donor advisors to the Community Foundation; 3) have donated at least \$500 in the last five years; 4) are major donors to nonprofits that serve the West County; 5) are business or philanthropic advisors to philanthropists who serve the west county; 6) have expressed an interest in establishing or contributing to an affiliate fund.”*

These criteria resulted in 150 invitations being mailed to a group that included, in addition to the above-named roles — public officials, civic club presidents and board members. Of these, 35 responded in the affirmative, and 24 attended. The attendees included nine donor advisors, five civic leaders, two financial advisors, three Community Foundation board members, five interested community members, and four staff members from the Community Foundation. It may be that these criteria did not cast a net likely to find the leadership needed to drive an affiliate program.

By design, the invitees were perceived as donors, whether private individuals or nonprofit board members. This was very different than an informational gathering in Petaluma, where staff from nonprofits were the majority. On the other hand, Healdsburg had a similar and successful event in a private home and a separate event for nonprofits. Perhaps the most significant difference in West County may have been that a consultant was driving the effort, without a committed core of community members. While CH knew many influential West County individuals, and went through a rigorous process to select invitees, there may not have been enough cohesiveness or enthusiasm among those that showed up to take the next step. The strategy looked good on paper, but left little room for the participation of ordinary residents.

Reports about this meeting suggest that those who attended, like many West County donors, were already committed to causes such as children or the environment. Two interviewees suggested the people who came were already directing their philanthropy to specific needs or favorite organizations.

Observations about West County were consistent and suggested another reason the meeting might not have energized anyone to action. *“No geographic identity.”* People there prefer *“... quiet giving [to their favorite] political, environmental, [causes] more than social service or arts. [They are] ... independent, not tight-fisted [and] loose knit.”* One person suggested that in Healdsburg and Sonoma people *“show their money,”* but in Sebastopol, doing so is a cultural gaffe. *“People move to West County to be left alone.”*

In CH’s report on ‘outcomes and next steps’ she writes that several attendees *“... concluded that the West County Community Fund would only become a reality if individuals either make significant contributions or commit to volunteering significant time to organize and develop the fund. No one in attendance made such commitments ... It was agreed that turnout and interest at the second meeting will provide a clear indication as to whether establishing a fund is realistic.”*

Immobility

THE FOLLOW-UP MEETING was scheduled for October 14. The invitation from the Community Foundation, suggested *“continuing the conversation”* about the potential for a West County Area Fund or Affiliate. It was sent to everyone who attended in June, plus many who could not go but had indicated an interest, and

to some added to the list by friends. It was explicitly more open: “... *we want to include anyone who cares passionately about the future of the charitable organizations and causes of West County.*” Invitees were encouraged to bring friends. Although there were 34 RSVPs, from the mailing of 62 invitations only 10 people came to the Sebastopol Teen Center that evening.

While the careful selection of invitees may have seemed appropriate in June, the approach to the community shifted in response to the lack of enthusiasm in the intervening months. A letter from one donor before the October meeting expressed concern “... *about an Area Fund resulting in donors placing funds locally and not being aware of needs elsewhere in the county.*” JS, another sponsor of the counseling program, expressed a personal interpretation of why the June meeting might have been unsuccessful: “*you have to be passionate and find people like yourself to work with.*”

With only 10 people showing up, the “*clear indication*” CH expected was evident to all. There was, as one person said, “*no strong leadership in the group ... lots of self interest ... people sat back and waited.*” RT, the President of a Sonoma County leadership institute, commented that the “... *effort came and went, never connected [with people in the West County]. There was no speaker ... no driver ... no one to ride the horse.*” Another said “*people are already involved in local nonprofits, ‘how much more can I do’ ... it’s a good idea, but no one was writing a check.*” ND believed the Community Foundation “... *made a valiant effort to tap into people’s interest. [But] the West County just doesn’t come together.*” It is curious that ND, who developed and continues to support a program she and a handful of others launched without any external assistance, is a living contradiction of LM’s recollection that many attendees were from “... *a private donor group, [with] no leadership resources.*” In fact, there were leaders in West County, active and focused on clear goals. The very nature of this dispersed community did not inspire them to refocus or take up a new direction.

Discussion

ONE OF THE UNIQUE qualities of the donor community in West County is a willingness by individuals to get involved with community needs and find a path to action. Groups often coalesce around a specific issue, such as a polluted creek, or around an individual with a passion for righting a social or environmental wrong. This is consistent with a reputation for maverick politics and the very

distinct personalities of the sub-regions. One couple that initially participated in the *Wednesday Funders Group* used their donor advised fund to finance an incubation project with the Community Foundation. It seems characteristic of West County donors to identify needs that match their interests and find ways to address those needs.

At the June gathering a handout was distributed with a section labeled “Why Form a West County Community Fund?” It read:

A West County Community Fund will encourage neighboring communities with common concerns to work together for the overall good of the region. While the fund’s advisory board primarily focuses on fund-raising and grant making, they can also serve as convener of funders and community leaders around specific local issues as well as catalysts for the creation of new and innovative programs.

This laudable and accurate description of an area fund arguably did not find a single ear in the audience in the West County. Both ideas — neighboring communities working together and convening around specific issues — seem to have already been satisfied by the unique combination of isolationism and activism of the residents of the West County. Also, the consultant may not have been the best fit with the community. In Healdsburg, the Organizing Committee was focused on work, and had few concerns about the division of labor and authority between the Community Foundation and itself. West County donors and organizers might have been particularly sensitive to “taking direction” from a consultant. The consultant’s careful planning may not have been a good match for the mercurial nature of West County philanthropy.

PETALUMA PROPOSALS

Petaluma seems to have split loyalties, lying so close to Marin County that many residents look south to Novato for shopping and other services.

Surrounded by dairy farms, Petaluma seems a quaint riverside town when approached from the south over the Petaluma River Bridge, with a grain elevator still the tallest feature of the downtown skyline. A legacy of commercial success has enabled large philanthropic gestures from businessmen throughout the city's history. One bequest resulted in the formation of the Petaluma Hospital District Foundation, which at the time of this initiative, had become known as the Petaluma Community Health Foundation. Many nonprofits in Petaluma have reputations for innovation, responsiveness, and collaboration within the community, even though there is a feeling of being short-changed by county nonprofits located in Santa Rosa. Several years of conversation, with the health foundation taking the lead, provided the setting for conversations about an affiliate initiative. Indecisiveness and competing agendas made execution of any plan inopportune.

Context

PETALUMA IS Sonoma County's southernmost city and second largest, the 2000 census reporting a population of 54,548. It grew at a rate of 21% in the 1990s, faster than countywide growth of 18%. The older part of town straddles the Petaluma River, and Highway 101 runs through the east side of the community. The river is a navigable waterway, connecting the city to San Francisco Bay. In the early 20th Century, it was common for Bay Area travelers to take a ferry upriver, disembark, and catch a train to parts north. While the river has seen much less commercial traffic in the last half-century, barges still haul gravel and other freight. At the time of the Gold Rush, Petaluma was one of the largest cities in the western United States, an important transportation and shipping center. From the 1880s through the 1940s Petaluma was famous as a poultry town and was known as the

“World’s Egg Basket.” Dairy replaced poultry after World War II. In the last two decades, Petaluma became a center for telecommunications innovation, with start-up engineering firms driving a boom in commercial space. This drove the growth in population, a flight from the suburbs of San Francisco to the “ex-urbs.” The community has the feeling of an older town. One interviewee said, “*You have to think of Petaluma as a town of 1,000 surrounded by a city of 50,000.*”

Historic Gifts

THE FIRST BOYS CLUB building in Petaluma, located in the western portion of the city, captured the attention and energy of the community at the time it was conceived. A capital campaign was launched to erect a building on a donated lot. In the 1950s it was difficult to raise the capital necessary to complete construction, so a small group of fathers undertook to construct it themselves. What was unusual about their effort was that they were able to finish it with the funds they raised, with just volunteer labor, both skilled and unskilled. The story goes that it would have been intolerable for a non-union contractor to build a public edifice in Petaluma, even though it might have been more affordable. So with union tradesmen donating their labor and knowledge on weekends, this building was completed over a period of several years with volunteers alone.

More than fifty years ago, the Community Health Foundation of Greater Petaluma was created to receive a \$1 million bequest from a long time resident. The gift was intended to go to the hospital, but state law prevented it from being accepted by a hospital district. Without much fuss, a nonprofit was established, with a board that largely overlapped the hospital’s. Over its life, more than \$3 million in grants have been made, most of them to the hospital for specific programs. Over time, the hospital organization changed. Since 1996, it has been operated by St. Joseph’s Health System, while the health care district is still the owner. Today Petaluma has many nonprofits providing health and human services. For this reason, at the time of the Affiliate outreach effort, the Petaluma Community Health Foundation (PCHF) had, for some time, been contemplating changing its mission and its focus.

An Interested Organization

AS EARLY AS MAY of 2002, LM, Vice President, Development, Community Foundation Sonoma County, was discussing a relationship with DD, the Executive Director of Petaluma Community Health Foundation. There were board members at PCHF who were

interested in expanding the role of the foundation, and changing the relationship with the health care district. At the same time the board echoed a sentiment held in other places in the community — that the Petaluma area was being slighted by Community Foundation Sonoma County, much like it was being short-changed in county services. Some hoped that moving the PCHF endowment to the Community Foundation might increase support for Petaluma’s needs and also change these perceptions.

The Community Foundation pursued this dialogue in many meetings over several months. At one point, a letter from LM to DD invited board members of PCHF to a workshop. The letter noted in passing that if they established their fund with the Community Foundation by a date several weeks hence, the \$40 workshop fee would be waived for two members. While this communication was stating a fact, it seemed to suggest that the PCHF Board make a major policy decision in a short time, with a trivial benefit. One wonders if this communication could have been misinterpreted as an overly-aggressive move by the Community Foundation, or worse, seen as an example of Community Foundation staff not being in touch with PCHF’s process.

In July of 2002, a couple from Petaluma who were active Community Foundation donors contacted the Community Foundation. They were interested in helping to form an affiliate, and offered to work closely with LM. They helped create an agenda for a PCHF board meeting designed to introduce the Community Foundation concept, the organization of Community Foundation Sonoma County, the grant programs, and the relationships that might be established. The meeting seemed to go well and the Community Foundation drafted a letter of intent, offering to work with the health foundation in an enhanced relationship where information could be shared and important programs collaboratively funded.

In August three distinct options for PCHF were presented to the board: establishing an organizational fund, creating an affiliate fund, or becoming a supporting organization. A couple of days later an e-mail within the Community Foundation enthusiastically reported that PCHF, which had experienced the same reduction in income as the Community Foundation due to the recession, had decided to suspend its payout process for the year “*in anticipation of working with the CF.*”

In September PCHF participated in drafting a fund agreement for a new entity, the *Petaluma Area Foundation, an Affiliate Fund of*

“Some board members were skeptical of our intentions. They saw it as a money grab.”

*LM
Vice President,
Development, CFSC*

Community Foundation Sonoma County. This would be an expendable fund, with the initial balance equal to its existing funds of approximately \$2 million. It appears however, that this potential relationship stirred up questions about the details of the affiliate concept. The PCHF board forwarded 14 questions to the Community Foundation about the affiliation, changing board composition, and other specifics.

None of these issues were ‘show stoppers’, but demonstrated a lack of understanding about the independence of an affiliate and anxieties about the consequences of being an advisory board rather than a fiduciary board. A fax from LM to FG, the Chairman of the PCHF board, answered all the questions. While the concerns were largely operational — from fees, to advisory board nominees, to keeping their own 501c(3), to backing out of the relationship if it didn’t work — the tone of the correspondence foreshadowed a lack of trust that would support going forward. This was despite a significant investment by the Community Foundation, which had sometimes sent as many as four senior staff members to meetings with PCHF staff and board members to explain the details.

But in early October FG acknowledged that the reply satisfied all concerns and PCHF was going to go forward. On November 20 the PCHF board agreed to enter into negotiations with the Community Foundation to create an affiliate fund. A meeting was scheduled. MG, the consultant working for the Community Foundation on outreach, and previously focused on Healdsburg, would facilitate. MG expressed concern about who would chair the meeting, since it was to include other nonprofits and donors. Her concerns would prove to be on target.

“There was too much animosity to continue the affiliate push. We needed time to allay fears and change board members.”

FG
PCHF Board member

Unclear On the Concept

THE MEETING WAS SCHEDULED for January 25. Invitations were sent out, many in personalized e-mails from MG. She had worked in the community on several other projects and knew many of the invitees personally. MG later noted that she felt encouraged by the response to the invitation, not just from those planning on attending, but also those who could not, but were still interested and wanted to “stay in the loop.” MG’s e-mail invitation stated that, *“The purpose of the affiliate is to bring additional resources into a local community ... The goal is to attract major funders to contribute to this [Petaluma area] fund and have a local advisory board and distribution committee give out local grants ... We already have*

some major donors interested ... We are inviting some community leaders to come together ... to assist in a discussion of the vision and design of this affiliate. The next step will be to assemble an organizing committee, then an advisory board."

Later that week, MG attended a planning meeting and expressed concerns about leadership: "... *I am still not clear [who] is the Chair of this affiliate group ... I could tell [FG] didn't know who was supposed to lead the meeting either! ... this group needs to broaden in a big way. I think we need to start with who the 'Champion' or leader will be there ...*" This was an early sign that an important ingredient was missing in the Petaluma constellation of personalities and organizations.

One week later, Community Foundation staff became concerned when they discovered that the PCHF board did not understand that the proposed Petaluma Affiliate Advisory Board would continue to have the primary local fund raising role. They discussed canceling the Petaluma Affiliate Retreat. It should be noted that this period, December 2002 through January 2003, was when KE, the new Development Director was hired. LM left in January.

Of the almost forty invitations, fourteen were to community leaders. Nine nonprofits were invited. Twenty-two people responded, planning to attend, eleven said no, and there was no response from five. Attendance was heavily skewed to nonprofits. There were many no-shows. But of the eighteen who did attend, three were community leaders, (including the couple that had been planning to host a second event at their home), and one was a Community Foundation board member; fourteen were from nonprofits, with six of those from PCHF. The meeting, referenced by some as a 'retreat', was held on January 25 and was staffed by MG, KE, and KM, the President of the Community Foundation.

*"They said
'we can show you how to get
Petaluma to donate more,'
not 'how can we help you'?"*

*TK
Community Member*

The three-hour meeting included a welcome by the PCHF Board President (FG) and presentations by the Community Foundation staff. The separate topics on the agenda included: goals; roles; relationship of an Affiliate to Community Foundation; Affiliate model; Affiliate Fund vision and hopes; a brainstorm about a name and geographic area; forming an organizing committee; advisory board roles, qualities, and responsibilities; fund distribution models; and at the end, the identification of action items and a timeline.

Given that the idea was being presented to most people in the room for the first time, this action oriented agenda produced defensive

and fearful comments from participants. The nonprofits felt their autonomy and turf to be threatened. Since community support from outside the Community Foundation and PCHF was minimal, no one stepped forward to lead. The general feeling at the end was uneasiness about an affiliate in Petaluma.

Minutes of the next PCHF board meeting, in February, reflect confusion between PCHF's goals for a relationship and the Community Foundation's interest in an affiliate. Several old questions were asked again, although they had been answered following the Community Foundation's September presentation. The change in development staff only contributed to this ongoing confusion.

Meanwhile, a five-step work plan was drawn up by MG in February, to help Petaluma move forward.

- 1) recruit an organizing committee through a meeting at a donor's house with 10-14 candidates (40 days)
- 2) develop a vision for the Petaluma Affiliate Fund and Organizing Committee and a talking points document (30 days)
- 3) assess Petaluma's philanthropic potential and decide if current levels can be exceeded; if so set goals, priorities and objectives (30 days)
- 4) determine the governance of the affiliate, identify metrics, will PCHF organize within Affiliate structure? (30 days)
- 5) design a fund-raising plan and recruit Advisory Committee, identify lead gifts, launch event (30 days)

“The meeting in Petaluma was too early. The group that came together feared loss of control more than recognizing their fiduciary responsibility.”

*LS
Donor*

While this plan seems to logically follow from the expected outcome of the January meeting, it doesn't account for the actual outcome — an absence of commitment, leadership or understanding in Petaluma. In addition, it was an extremely aggressive timeline. What was missing was a feedback loop to determine the readiness — of the individuals, the organizations and the community. Preparing such a schedule, without commitment from community leadership, posed a problem in continuity and confidence.

Not on Track

THE COMMUNITY FOUNDATION continued to contact individual donors and community leaders who might be interested in the affiliate concept; several small meetings resulted. The hope was to gather a group that would participate in a house meeting, with the purpose of forming an organizing committee. Scheduled for June 4 at the home of the donor couple who had supported the idea of

a Petaluma affiliate, the meeting was cancelled, as it became obvious to all parties that the current Petaluma effort was not on track.

In March of 2003, MG e-mailed the donor couple to acknowledge the need for “...stepping back from the affiliate process and doing a little more feasibility work. [She added] ...it has become apparent to me that the Community Foundation needs to do some relationship building in Petaluma — it is critical to any future efforts there.” The donors agreed, and suggested that “...while geopolitical and economic events made for bad timing, it isn’t the primary reason the people we interviewed were unenthused and suspicious.”

On April 8 a letter was sent to all the community members who had expressed an interest or been previously contacted, suggesting the timing wasn’t right to form an affiliate in Petaluma. It did not suggest a false step or suggest blame, but timing and understanding were identified as reasons to step back. It was also true that Healdsburg was then very active, and there were no more funds for a consultant. There were not enough resources to revisit the idea in the short term.

Communication continued between the Community Foundation and PCHF, and in May of 2003 the fund agreement was revised again, now specifying the establishment of an organizational expendable fund, called the Petaluma Community Health Fund. By this time the board of PCHF was down to seven from fifteen and they were still unable to make a decision to move their assets.

The Community Foundation gave another informational talk, this time to the Petaluma Rotary, but the focus was not on an affiliate, but rather on increasing awareness of the Community Foundation’s activities and grants in the Petaluma area.

Since then the health care foundation has continued to work on its own issues and structure. In the Fall of 2005, the organization changed its name and goals, and moved its funds to an organizational fund at Community Foundation Sonoma County.

Discussion

PETALUMA HAS a long-standing rivalry with Santa Rosa, dating back to the Civil War. This was expressed during this effort as a concern about the unfair distribution in existing funding patterns, with the United Way and the Community Foundation given as

examples. Community Foundation data, demonstrating considerable local distributions, was not sufficient to overcome the mythic nature of this feeling.

If we assume that clear and consistent information was presented in Petaluma about an affiliate and the options for a relationship, it may have been that the listeners were not ready to hear. The correspondence shows repeated misunderstandings of the differences between an affiliate fund and an organizational fund. Confusion about responsibilities persisted. A telling detail is that, even after addressing the issue with LM in October, the PCHF board, at its February meeting, still wanted to identify an exit strategy from a relationship that did not yet exist.

It also appears that the Community Foundation missed early clues that PCHF was unclear about the affiliate formation or its own desired outcome. And this was the only organization to have direct discussions about a relationship; no other organizations were approached with detailed explanations of a fund agreement. It also seems that the absence of an organizing committee increased the difficulty. The initially promising path to a relationship in the community was made more slippery by the shifting intentions of PCHF. It may be that trying to expand on or shift the focus of an existing effort made the process more difficult, whereas, in Healdsburg, there was no existing entity like PCHF involved. An individual close to the situation also pointed out that some other Petaluma nonprofits had negative feelings about PCHF, which could have tainted the process.

“It was the wrong approach to Petaluma, working with a single agency. It produced concerns among other non-profits.”

*TK
Community member*

To continue the effort, the Community Foundation would have had a significantly larger task, seeking leaders able to rebuild trust in the community. The loss of the consultant and the replacement of the Vice President, Development — two significant changes at the Community Foundation at this critical juncture — definitely argued for a graceful withdrawal. As KE took on her role in development, activities in two other communities were gaining momentum. It was unlikely that an intervention could have been launched to rescue the effort in Petaluma, given the attention required elsewhere and the resources available.

ANALYSIS

“The matching grant was not the only reason Healdsburg was successful. The volunteers were ready to roll up their sleeves, to problem-solve.”

*MG
CFSC consultant*

Putting it Together

HOW DID the Healdsburg Affiliate develop into a robust grant making entity within eighteen months of the first meeting of its Organizing Committee? This was a remarkable achievement, given that the Community Foundation did not have a strong identity in Healdsburg. What prevented Petaluma or West County from taking up the idea? There were unique characteristics in Healdsburg which other communities might find difficult to replicate. But what factors in the contexts of the three efforts might explain the different outcomes and might inform others contemplating the launch of an affiliate?

Willing or Ready?

DISTINGUISHING between *willingness* and *readiness* allows us to ask about the motivations of participants. Are they looking for recognition, seeking approval of a supervisor or other authority, swept up by the crowd, or believing it is expected of them? Do they understand what is being asked of them, how long it will take, the potential for changing course, the need for collaboration? A simplified example might be to say the *willing* participant jumps in the pool when asked, all smiles. The *ready* participant might stick a toe in the water, check for a ladder, set their towel nearby, and hold their nose as they jump in. It is more than just preparedness, and less than selflessness. It is a state of knowledgeable independent choice.

There is no doubt that Healdsburg’s development was accelerated by the \$500,000 match grant. It came from a resident who knew what a community foundation was, understood the needs of the area, and had faith that the match would make a significant difference. The determination of the Chair of the Organizing Committee was also an important factor in many ways, especially in securing the match donor’s trust. The Community Foundation facilitated the donor’s anonymity, and vouched for the commitment of each party. While both a determined leader and a generous match donor might be

difficult to find in another community, they also converged in a setting which was **ready** to undertake the activities needed to launch the Affiliate. With attention, effort and patience, communities interested in starting an Affiliate can take lessons from Healdsburg. Beyond doing the right things right, it is important to assess the **readiness** of the community to respond to the initiative, the **readiness** of a group to work together and do the work, and the **readiness** of the sponsoring Community Foundation to support the effort.

On the surface, it appears that the effort in Petaluma was not successful. Many of those involved reported frustration with start and stop processes, and anxiety about the goal. This included individuals from all the stakeholder groups — Community Foundation staff, donors interested in an affiliate, and the nonprofit leadership. However, in spite of stepping away from the affiliate idea in mid-2003, PCHF moved its \$2 million endowment to the Community Foundation, as an organizational fund, in the Fall of 2005. This benefits the Community Foundation, gives PCHF an entry into the county as a whole, and perhaps sets the stage for another affiliate attempt. It turned out, that while they were **willing**, in 2002/2003 they were not **ready**.

Without access to the internal process and history of PCHF over this period, it is difficult to know whether the organization had the capacity to make a decision any sooner. We do know that they did not, due to a lack of consensus on the board and difficulties evaluating the options for a relationship with the Community Foundation. But the struggle to come to a decision appears to have made their internal needs more apparent. Perhaps no one else stepped forward because PCHF was one of the largest nonprofits in the community. They had entertained the idea because they were **willing**. And others, seeing this activity, came to the informational meetings, so as not to be left behind. They too were **willing**.

One difference between **willingness** and **readiness** is as a subtle reflection of covert processes in organizational systems. It can be seen in individuals, couples, organizations, and communities. There are reasons one might be **willing**, but not **ready**. It could be the absence of important knowledge about the task. There was a moment when the board of PCHF expressed surprise and concern that they would continue to be responsible for raising money for their endowment as an affiliate. They had projected this role onto their prospective new parent, the Community Foundation. It is not that the conversations about the relationship did not clearly define roles,

but a fantasy of connecting with a larger, stronger entity may have masked the work they were weary of, unable to continue, or feeling inadequate to do. In Petaluma, the tension in PCHF created by facing opportunity and being asked to make decisions, resulted in a more focused and unified board — two years later.

Healdsburg's **readiness** to hear the message and launch is as much circumstantial as was Petaluma's **willingness**. In addition to a few well established community groups, Healdsburg had a large number of small, marginal nonprofits. DB, the initiator of the effort, had been directly involved with two of them and seen that there was little ability to go outside the historic circles of support. Her past success gave her credibility with a wide audience. She found ready partners in people from many different segments of the community, and brought them together around a focused drive to launch an affiliate. The match grant gave credibility and hope to her cohorts. In addition, there was an ex-Board Chairman of the Community Foundation on the Organizing Committee, which may have subtly helped provide a bridge between the developing organizational culture of the Affiliate and the established culture of the Community Foundation.

A renewed sense of community was alive in Healdsburg. People experienced this through a number of concurrent activities. A nonprofit was formed to raise funds for the establishment of a performing arts theater. The hospital was reorganizing and seeking funds. In June of 2003, one of the traditional weekend concerts in the Plaza was expanded to include a Town Picnic and Town Photo. Each of these efforts was built upon and used language promoting 'community.'

West County was more than **ready**, so **ready** that community members had found ways to release their philanthropic interests independently. A group approached the Community Foundation in 2000, but then moved on with minimal Community Foundation support. Other groups launched projects of their own. The region is rich in geographic, community, and social diversity, and is home to some of the most focused and dedicated political action groups in the county. It may be the specialization of interests (and attached agendas) that prevented trust and collaboration like that in Healdsburg. People felt like they were already doing a lot. There was no clear justification for taking on something else. No leader emerged. As individuals they were ready and acted, and saw no need to form a new entity. In fact, a concern was expressed that a locally-focused fund might cause donors to miss areas of need in other parts of the county.

Adoption or Natural Birth?

WE MIGHT THINK *of the difference between adopting and giving birth as an energy phenomenon. There is more energy available to an idea born locally than one brought from somewhere else. The local environment produces the seed and therefore contains all that might be needed to nurture it, auguring well for it to flourish.*

When a new group forms in a community it is identified by its purpose, the local history of its members, their connections to social networks, and the strategies used to introduce the group to the community. But there is a dramatic difference between an idea born in the community, like the Healdsburg Affiliate, or the way the affiliate concept was overlaid on an existing relationship, which is what occurred in Petaluma with PCHF. Were the existing relationships in either Petaluma or West County fertile ground for the concept of an affiliate? Neither community was ready to “adopt” this idea from outside. From the perspective of the Community Foundation, the idea seemed like a good fit in each, for different reasons. Being in the business of supporting philanthropic interests across the county created a blind spot at the Community Foundation. The apparent “fit,” in the end, turned out to be non-existent. An affiliate structure may occur to someone in West County sometime in the future, perhaps having learned about it through this effort. At that time, if a local champion drives the idea, an affiliate might well be birthed.

When a group takes up an idea, the fundamental energy that arises from that “natural birth” cannot be underestimated. No amount of support, explanation, or repetition can replace the value of an idea being “ours” rather than “theirs.” It may be that because the initiative in Healdsburg had a simple, well articulated purpose — to capture local funds for local needs — the affiliate relationship became easier to understand, as it answered that purpose. Much of the underlying complexity of an affiliate could be ignored in pursuing the creation of an endowment to meet local needs.

JL and DB looked for citizens ready to work together on a good idea. It was important to find people who could make it happen from their own will, without authorization from any organization they represented. A slow expansion not only exemplified patience, but the lack of affiliation gave the Organizing Committee enormous freedom to get the job done at a “natural” pace which they set as they went. Notes at the Community Foundation suggest it actually took twelve months longer than expected, yet the Organizing Committee did

not experience it taking ‘too long.’ The original plan was perhaps naively optimistic, but the Community Foundation was satisfied with the result.

The amount and type of support provided to an emerging affiliate is critical to the long term strength and independence of the eventual organization. The literature suggests many possible structures for Community Foundation Affiliates, some even with dedicated staff. In Healdsburg, continuity during the formative months came from consultative and support services from the Community Foundation. But they were provided with a light touch. There was little obvious direction, although necessary tasks appeared on agendas from time to time (grant making criteria, grant program definitions, etc.). The Organizing Committee saw them as natural next steps. The agenda and needs of the group came gently from leadership, which included Community Foundation support from KE. The group was so cohesive and collaborative that there was never an obstacle to taking up what needed to be done next, regardless of where leadership was perceived to lie. This support was like the approach of a rural midwife, supporting a natural process.

In West County the work was drawn up as a carefully prepared project plan, driven by a limited budget, which funded a consultant, who carefully managed to a clearly defined contractual obligation. Each step was meticulously designed and programmed — from the definition of “West County” to the screening criteria for invitees to the informational meeting. It is possible that the West County community was too independent to respond to an invitation to work in such a highly structured fashion. The hoped-for birth was anything but natural, and the locals were reluctant to adopt an outside goal and process. True to type, without confrontation, those involved drifted off, comfortable that what they were already doing was purposeful and successful, and that no additional structure was called for. The decision by the Community Foundation to abandon the initiative raised no protest, no comment, no apparent disappointment.

In Petaluma the challenge was somewhat different, in that the Community Foundation was already engaged in conversations with an existing organization in the community. There was no inherent interest in launching an affiliate, per se. The interest was lodged in just a few people. The organization’s hope for resolution to its own dilemmas obscured the general message about an affiliate for nearly all participants.

ANALYSIS
continued

A significant difference between natural childbirth and adoption is the factor of timing. With organisms as complex as a community or a group, a new entity is probably better birthed through a natural course. Trying to force the formation of an affiliate from outside is more like an adoption. Despite planning, information, education, staff, or organization, the experience will not feel fully genuine, and is more likely to break down. The outcome could be even worse if there is resistance, reluctance or a serious failure to understand what is taking place.

CONCLUSIONS

*There are observations and interpretations from Healdsburg that we can label **Critical Success Factors**. Whether they are necessary or sufficient for a successful effort in another community is uncertain. Given that some of these identified elements were missing or configured differently in Petaluma or West County, the outcomes there might be attributed to those differences. Here, in outline form, are the key elements that helped or constrained each of the three efforts.*

What Helped Healdsburg?

CRITICAL SUCCESS FACTORS

- Determined and focused leadership, able to share the role.
- A strong sense of community within the Organizing Committee.
- A reasonable and logical geographic area, clearly defined.
- A diverse group sharing a common goal.
- A cohesive group, ready and able to collaborate.
- Permeable boundaries.
- Community Foundation staff support, availability and guidance.
- A network of relationships, inside and outside the task group.
- A goal of community benefit, not individual image or recognition.
- Patience with the varying pace, helped by steady progress.
- E-mail communication kept the group in touch
- A matching grant created incentive and benefit to the community.

What Constrained WEST COUNTY?

- Minimal experience with the Community Foundation.
- Diverse demographics and geography, lacking a coherent identity.
- No leader to champion and promote the idea.
- Disparate donor community without a common goal.
- Little enthusiasm and deep skepticism among early participants.
- Likely volunteers satisfied with engagement in other efforts.
- No effective feedback mechanisms from community.

What Constrained PETALUMA?

- Community Foundation personnel changed at a critical moment.
- A perception of unbalanced distribution of county wide resources.
- A large organization, with shifting goals, generated some anxiety.
- The old rivalry with Santa Rosa generated scepticism and distrust.
- No effective channel for community response and participation.
- No determined local leadership stepping forward.
- No community wide commitment to the idea of an affiliate.

What Helped? What Constrained?

OPENNESS: Growing the Organizing Committee

The process the Healdsburg Area Affiliate Organizing Committee invented to introduce new members balanced being open and closed at the same time. The invitation to meet the Organizing Committee at work had a generous quality. It also was a way for the group to be both *opened to many and closed to few*. A new organization has no culture to manage the issue of confidentiality. So holding a permeable boundary, which accommodated the need for confidentiality, was a developmental step. Allowing visitors recapitulated the way in which DB and JL grew the group at the outset, seeking participants, not representatives, individuals supportive of the *idea* and ready to work. In fact, the *idea* of inviting strangers to the meetings may have been more important to the group than its actual utility.

WORK GROUP: Group Cohesion and Capacity

Invitations to work with the Organizing Committee in Healdsburg were very strategic. No one was invited who had to lead with their organizational portfolio. People came together to work as individuals, and were rewarded by the experience itself. The group felt good, people enjoyed the time together, and did what they said they would do. *Enlarging the Circle* was a major effort, but there was a consensus to undertake it. Along the way, as invitations to help were extended to others, new names would be placed on the e-mail list of the Organizing Committee, but some of those rarely appeared at meetings. Before the board was formed, there was no criticism for not showing up. Those who showed up and made commitments usually met them and it bound the core together. The other names on the e-mail distribution list provided a sense of a larger group and in some cases, connections to well known community members. No one ever complained about non-participants. Eventually, they were dropped, without protest.

COMMUNICATION: E-mail was a Successful Vehicle

A simple and expedient means of communication was essential to the Organizing Committee. Postal mail was almost never used. Agendas, rosters, schedules, draft documents, and even graphic layouts were distributed via e-mail. While there was an uneven distribution of skill and comfort with computers, using e-mail worked for almost everyone (or they got their wife to help). The low threshold of effort for distribution of materials and exchange of feedback worked for staff as well. If members had not been e-mail users, it would have slowed the work down, created feelings of being left out and been much less satisfying. There were hundreds of e-mails over the formative months, usually focused on a specific production or activity, like the drafting of grant criteria or the production of a brochure. And distribution was commonly to everyone, even if they had no active role in the particular task. When everyone had access to the stepwise refinement of a document or plan, it made it easier to review work when the group convened.

MEMBERSHIP: Group Identity or Representatives

Attendance at the informational meeting in Petaluma was disappointing and skewed towards organizations rather than individuals. There were fourteen people from nonprofits, six were from PCHF. The outcome demonstrated how an imbalanced group can disable open communication. That meeting, which had very few donors, actually heightened the concerns of other nonprofits about the intentions of the lead organization (PCHF) and the Community Foundation, with its Santa Rosa-based identity. More preparatory conversations with organizations would have been helpful, as well as a more balanced distribution of interests and perspectives among the attendees.

Bringing all stakeholders together — donors, nonprofits, and the community at large — to introduce and share information about an affiliate initiative is not effective for introducing the concepts. Not only is the key message for each group different, the fundamental idea is complex and takes time to digest. In Healdsburg two events addressed the donors and nonprofits separately.

LEADERSHIP: Steps Forward on Its Own

One of the dramatic differences between Healdsburg and the other two communities was determined and committed initiators. The failure to discover individuals ready to lead in Petaluma or West County presented serious stumbling blocks to creating momentum. In Healdsburg there was a leader prepared to push the idea, without

CONCLUSIONS *continued*

needing to work from the head of the table. DB was ambitious and wanted to prove that the goal of capturing philanthropic dollars for the local community was achievable. The group was successful, not because of her drive or doggedness, but she let the group come together around a goal, rather than around a person. Similarly, JL's contribution was facilitating connections to community networks, not individuals.

Over the many months the Organizing Committee met, leadership was shared among the group members. But like the magnetic North Pole, DB helped assure that the group's direction never wavered. In addition, she was well connected in the community, and comfortable going to wealthy residents and asking for commitments. There was always room in the group for everyone to bring their individual skills and creativity. *Enlarging the Circle*, the two month push for community participation, succeeded because of wholehearted participation from everyone.

A leader needs enthusiasm, followers, backup and execution strength. The organizing group that formed in Healdsburg brought reliability, availability, skill, good communication, strong community relationships, and helped create a trusted profile in the community. The group never experienced a problem where a member's advocacy for their own affiliations overshadowed the work of the committee.

“DB was good at casting people in the right roles. She was good at getting people involved and building the endowment.”

*JV
Organizing Committee*

SUPPORT: *“You Can't Always Get What You Want, But If You Try Real Hard ...”*

The Healdsburg Organizing Committee could not have sustained its work over such a long period of time without the considerable support of Community Foundation staff and consultants. It is difficult to estimate the actual human resource investment over the period this inquiry covers. However, Community Foundation staff agree that direct support of the Healdsburg Affiliate over these three years took between 10% and 20% of an FTE, which includes all meetings, presentations, donor agreements, financial reports, phone calls, writing, editing and proofreading. In addition, the Community Foundation had costs for incremental staff work that did not involve face to face contact in Healdsburg, such as finance and accounting, as well as direct costs for printing, advertising, events, etc. Furthermore, volunteers could not have done it all, even with the necessary interest and time.

Staff support, which also included meeting minutes, rosters, mailing

CONCLUSIONS *continued*

lists, follow-up phone calls, document preparation, and managing printing/copying services, are obvious administrative roles expected of staff. However, the more active the organizing committee, the greater the demands for resources. Furthermore, the community foundation is, in the end, responsible for the communications and interactions of an advisory board, whether formed or organizing. This staff role, in a new or fluctuating work group, provides important continuity. Healdsburg was lucky — most of the initial committee members stayed on and when the Advisory Board was formed, four became members. But in a new volunteer organization, staff carries the history and record of what has taken place. Volunteers may only be tracking what happens while they are engaged, losing the thread as they move back into their day-to-day activities. In addition to holding the group's history, staff also facilitates in the background, managing perturbations in work-flow and accomplishment. This role includes coaching the leader and filtering requests to manage everyone's work load. An active committee can expect a lot more than staff can provide. In Healdsburg's case, members of the committee believe they got what they needed.

“The leadership was well connected and energetic, had worked in the dirt on other nonprofit ventures in the community, and acted as an interpreter between wealth and the community at large.”

*RH
Organizing Committee*

Creating an affiliate is a strategic investment in the future. It is a startup situation and immediate costs will far outweigh short term benefits. The investment is in the promise of long term benefits for both the Community Foundation and the community where the affiliate is born. The Community Foundation Board recognized this at its 2002 retreat and decided to nurture and support satellite groups, and not insist on controlling them.

Retrospectively quantifying the overhead for this work is exceedingly difficult. Most of the support occurred at the senior staff level. The estimated value of Community Foundation staff time invested in the Healdsburg Affiliate, over the most active period, from October, 2002 through December, 2004 is in the range of \$18,000-\$24,000 per year, for a total of \$40,000-\$54,000. And that is in addition to the \$35,000 James Irvine Foundation grant used for consultant services, and the 10-20% of the Development Director's work load. During the same period, total fee income from funds in the Healdsburg Affiliate was \$17,000 with one-third of that coming from the growing endowment. It is important to remember that an endowment is a permanent income stream. In the fourth quarter of 2005, 48% of fee income came from the endowment, as expendable organization funds were drawn down by more than \$800,000.

The Foundation Strategies Group, in a monograph, *Strengthening Community Foundations: Redefining the Opportunities*, suggested that “*affiliate structures ... can create a considerable burden.*” Though drawn on a limited sample, they refer to the Arizona Community Foundation, where “*affiliates constitute only 3.2% of assets but 19.5% of total costs.*” Though Community Foundation Sonoma County staff and board recognize this potential imbalance, there is optimism that the investment is appropriate. The Healdsburg Area Affiliate has created awareness and visibility that would have been difficult to achieve otherwise. From both Development and Program perspectives, the Affiliate has increased the Community Foundation’s capacity in northern Sonoma County.

IMAGE: What are They Doing Over There?

The composition of an informational meeting was already discussed. Healdsburg used a house meeting to great success. The meeting had consultant support for logistics — from invitations to catering. There were a small number of speakers who explained the idea of an affiliate, the goal of an endowment, the area concept, and the match grant. The story was carefully scripted. The attendees came from the entire community, mostly through personal invitations. Not everyone knew everyone else, but someone on the committee knew each person invited, by no more than one degree of separation. Those who came probably knew they would be asked for a financial commitment to a new nonprofit.

Because the Healthcare Foundation Northern Sonoma County had recently formed and was in the process of trying to save Healdsburg Hospital, it was important to be explicit about not competing with other community needs. The Healthcare Foundation board was very disturbed by the affiliate initiative and there was considerable distrust that persisted for several years between individuals working for the Affiliate and those working for the hospital. Today that tension has eased and there is a quiet truce.

QUESTIONS FOR REFLECTION

A successful human enterprise does not yield a recipe for absolute success, but we can glean strategies from the experience of others. We can study and evaluate those strategies, on a broad continuum of fit and appropriateness, once we understand the context in which we will work.

Before undertaking the establishment of a Community Foundation Affiliate we can ask strategic questions of the situation. The following questions are drawn from the experiences in these three communities. The answers can inform the expectations of others interested in launching an affiliate and help shape a plan for action.

- Where has the idea originated? Who is promoting and leading in the community? Is it an individual? An organization? The Community Foundation? What kind of leadership will they provide?
- Who in the target community knows about and understands the Community Foundation? Who understands the affiliate concept? Is the knowledge accurate?
- Who are the gatekeepers in the community? Individuals? Groups? Organizations? What are their relationships? Board? History? Goals? Reputations?
- What is the current relationship between the community and the Community Foundation? How visible is it?
- Does the Community Foundation have the resources to support an initiative? If not, can those resources be hired from outside? In either case, how will support be sustained?
- Is the timing right? If not, are there precursor activities that will help create an opportunity?
- What elements are in place for success? Leadership? Group? Goal? Support?
- How will you know if you are going too fast? Too slow?
- What milestones will you set along the way? How will you adjust if they're missed?

New Territory

THERE IS NO MAGIC to creating strong leaders and well functioning groups. The highest standards of relationship serve well, for leaders and followers — honesty, trust, reliability, competence, openness, clear communication. Sharing leadership in a volunteer organization can be helpful, because volunteer leaders may have limited time to devote to the task. Staff can lead implicitly, through their support role. And, with the right personalities, co-chairs can be very effective. However, giving permission to the group to work, trusting the decisions of others, allowing initiative and invention to flourish, are often difficult behaviors for the very personalities that tend to drive new ideas.

It is easy to misinterpret a proposal when individuals work on the boundary between organizations. And the group as a whole may suffer collective deafness (“...*we didn’t hear you say that...*”) or shared amnesia (“...*we don’t remember that meeting...*”). These are not fatal turns in the relationship, but signals that there may be influences and biases that are not being openly expressed. These signals should alter the pace of effort. Explore such responses by asking about the observed behavior. Or have a conversation among staff who know the principals. It takes a pattern of this kind of resistance to confirm an interpretation, for example repeatedly “saying *yes* and acting *no*.”

Introducing the idea of an affiliate is not a license to examine or address organizational capacity. When a group keeps going over the same materials and discussions, meeting after meeting, you can assume that they are not ready to make a decision or deal with the issue. They are **willing** but not **ready** to move forward. Unless you have a role and contract to consult to their process, you can only stand ready to help create an affiliate. You can maintain your role and explore your observation with the group or its leadership. But you shouldn’t tell them what you think it means, no matter what your interpretation.

Strong and clear goals help the work group persist in spite of resistance and bumps in the road. It is wise for everyone to see the entire enterprise as new territory.

APPENDICES

NOTE: Items in [brown and underlined](#) are links to the source documents on the web. Click on them and your browser or PDF viewer will open the source document.

I. Interviewees, by Role

2. Healdsburg Timeline

3. Healdsburg Performance (Chart and Text)

4. Organizing Committee Documents

- a) [Original Fund Proposal](#)
- b) [HAA Memorandum of Understanding](#)
- c) [Matching Conditions](#)
- d) [HAA Board Responsibilities](#)
- e) [HAF Volunteer opportunities](#)
- f) [HAF Executive Summary](#)
- g) [HAF Talk Piece](#)

5. Healdsburg Affiliate in the Newspaper

- a) [Press Release \(3/29/04\)](#)
- b) [Press Release \(12/4/04\)](#)
- c) [Articles and Letters](#)
- d) [Advertisement — *Enlarging the Circle* \(4/25/04\)](#)

6. Healdsburg Affiliate Collateral Materials

- a) [First Brochure](#)
- b) [HAA Talking Points](#)
- c) [Second Brochure](#)
- d.) [Enlarging the Circle](#) mailing (included letter, flyer, second brochure, return envelope)
 - [Enlarging the Circle Letter](#)
 - [Flyer Magnifying Local Resources](#)
- e) [Press Kit — List of Contents](#)
- f) [Press Kit — Short History](#)
- g) [Press Kit — Fact Sheet](#)
- h) [Chamber of Commerce Flyer \(B/W\)](#)
- i) [Founders Circle Picnic — Thank You](#)

7. Other Documents

- a) [Interview Questions for Community Leaders](#)
- b) [Is a West County Community Fund a Good Option?](#)
- c) [West County June Meeting — Letter to Attendees](#)
- d) [West County June Meeting — Report on Outcomes](#)

8. Resources

- a) [The James Irvine Foundation — Publications](#)

See:

- *Overarching Assessment of the Community Foundations Initiative*
- *Eyes Wide Open: Deciding When to Launch A Community Initiative*
- *Community Catalyst: How Community Foundations Are Acting as Agents for Local Change*
- *Affiliate Funds: A Rising Practice in Community Philanthropy*

- b) [Healdsburg Area Affiliate](#)

- [In the News](#)
- [Grant Programs](#)

- c) [Community Foundation Sonoma County](#)

- [Grant Review Criteria](#)

- d) [League of California Community Foundations Visibility Campaign Website](#)

- e) [Foundations Strategies Group Strengthening Community Foundations](#)

APPENDIX I.

Interviewees

<u>NAME</u>	<u>ROLE</u>
-------------	-------------

Petaluma

DD	Nonprofit staff
EL	Nonprofit staff
FG	Nonprofit Board
KP	Community Member
LS	Donor
RK	Nonprofit staff
TK	Community Member

West County

BD	Community Foundation Professional Advisory Committee
ES	Community Foundation Board
JS	Donor
KW	City Official
LG	Community member
ND	Donor
RT	Non Profit Leader

Healdsburg

CR	Community Member
DB	Organizing Committee, HAA and Community Foundation Board
EC	Organizing Committee
HW	Organizing Committee, Community Foundation and HAA Board
HH	Community Member
HL	Organizing Committee, HAA Board and Grants Committee
JL	Organizing Committee
JV	Organizing Committee and HAA Board
KM	Organizing Committee
LC	Former Community Foundation Board, HAA Board and Organizing Committee
LS	Organizing Committee and HAA Board
LK	Organizing Committee and Grants Committee
RH	Organizing Committee
SS	Community Member
SA	Organizing Committee

NAME ROLE

Community Foundation

LM	Former Vice President, Development
CD	Board Member
GD	Former Communications Director
MG	Consultant
CH	Consultant
KE	Vice President, Development
KM	President and CEO

APPENDIX 2

Healdsburg Timeline

<u>WHEN</u>	<u>WHAT</u>
September 13, 2002	DB's original proposal
May 5, 2003	Executive Summary
May 13, 2003	Gathering at DB's Tuesday night, 23 couples
May 15, 2003	Matching grant signed — 3 year commitment
June 4, 2003	Tribune: Story " <i>New Philanthropic fund ...</i> "
June 18, 2003	Tribune: Front page note, ad for Raven event
June 25, 2003	Raven event, 24 attendees
July 2, 2003	Memorandum of Understanding signed
August 12, 2003	Letter in Tribune: <i>Civic Fundraising Tool</i>
March 1, 2004	Work begins on Press Kit
March 15, 2004	Press Release, \$200,000 in endowment
March 24, 2004	Grant guidelines finalized
March 24, 2004	Letter in Tribune: <i>Let's Keep it Local</i>
March 29, 2004	Distribution of Press Kit
April 21, 2004	Tribune: Front page story, <i>Enlarging Circle</i>
April 27, 2004	Letter in Tribune: <i>Creating a Legacy</i>
May 1, 2004	Chamber of Commerce mailing
May 4, 2004	Letter in Healdsburg Tribune: <i>Join the Circle</i>
May 5, 2004	Tribune: Ad — <i>Founders Circle</i> Solicitation
May 8, 2004	Organizing Committee polled for future
May 13, 2004	Affiliate Board, first formal meeting
May 15, 2004	Deadline for <i>Enlarging the Circle</i>
May 31, 2004	Deadline extended
June 23, 2004	Tribune: Ad — <i>Thanks to Founders Circle</i>
July 12, 2004	Grant Applicants workshop
December 4, 2004	Press release about first 5 grants
December 12, 2004	Tribune: Story <i>\$24,750 in Grants</i>
January 1, 2005	First Affiliate grants distributed

APPENDIX 3

Healdsburg Affiliate Performance

The following chart shows the funds coming in to the Healdsburg Affiliate across the period of this report in **BOLD (1Q02-4Q04)**. 2005 results are also shown.

QTR	DIRECT GIFTS TO ENDWMNT	FROM MATCHING GRANT	TOTAL QUARTERLY GIFTS TO ENDWMNT	QUARTERLY GIFTS OTHER FUNDS (UP TO \$25K MATCHED)	TOTAL FUNDS IN ENDWMNT	TOTAL FUNDS IN AFFILIATE	NUMBER OF GIFTS TO ENDWMNT	NUMBER OF GIFTS TO ALL FUNDS	NEW DONORS					
2Q03	\$8,600	\$0	\$8,600	\$500	\$8,600	\$9,100	10	1	11					
3Q03	\$3,100	\$0	\$3,100	\$0	\$11,700	\$12,200	7		5					
4Q03	\$18,273	\$0	\$18,273	\$190,592	\$29,973	\$221,066	25	13	35					
1Q04	\$300	\$176,000	\$176,300	\$181,770	\$206,273	\$579,136	6	12	12					
2Q04	\$48,695	\$60,000	\$108,695	\$140,221	\$314,968	\$828,051	190	17	198					
3Q04	\$2,800	\$163,000	\$165,800	\$153,204	\$480,768	\$1,147,055	10	12	12					
4Q04	\$7,798	\$0	\$7,798	\$758,574	\$488,566	\$1,913,426	4	28	19					
1Q05	\$250	\$98,000	\$98,250	\$22,975	\$586,816	\$2,034,651	3	13	9					
2Q05	\$10,996	\$0	\$10,996	\$14,792	\$597,813	\$2,060,440	39	7	8					
3Q05	\$1,820	\$5,000	\$6,820	\$150,851	\$604,633	\$2,218,111	7	8	5					
4Q05	\$1,035	\$12,500	\$68,795	\$36,986	\$701,640	\$1,450,000	4	4	1					
<table border="1" style="margin-left: auto;"> <tr> <td>TOTAL GIFTS =</td> <td style="text-align: right;">420</td> </tr> <tr> <td>UNIQUE DONORS =</td> <td style="text-align: right;">315</td> </tr> <tr> <td>UNIQUE FUNDS =</td> <td style="text-align: right;">23</td> </tr> </table>							TOTAL GIFTS =	420	UNIQUE DONORS =	315	UNIQUE FUNDS =	23		
TOTAL GIFTS =	420													
UNIQUE DONORS =	315													
UNIQUE FUNDS =	23													

THE FLOW of gifts into the Healdsburg Area Affiliate, from the first dollar received in May of 2003 through the end of 2005, shows steady success, with significant increases during a period of focused publicity and public awareness. While the overall success of the Affiliate is undeniable, the leverage provided by the match grant is clearly evident in 2004. The *Enlarging the Circle* campaign in the spring yielded 198 new donors, but less than \$50,000 in direct gifts into the endowment. But the efforts of the Organizing Committee and new Advisory Board (formed in May 2004 from a subset of the same group), brought many organizational funds and donor advised funds into the Affiliate. The first \$25,000 in each new fund was matched.

At the end of 1Q05, the match was exhausted and the Advisory Board began its efforts to secure another. This search resulted in another \$300,000 match, pledged in equal parts by six couples in the community. Looking at this chart and the Healdsburg Area Timeline helps understand the effect of the publicity and marketing effort which resulted in the original match being met in less than twenty months. Public awareness and direct contact resulted in many organizational and donor advised funds coming in. In 4Q04 one organization brought its capital fund, worth more than \$600,000, into the Affiliate.

AUTHOR'S NOTE

Richard Burg

Simple Idea

THE AUTHOR of this case study moved to Healdsburg in 1999. Involved in several community activities, he was asked by JL if he was interested in the Affiliate. After initially declining repeated invitations, he attended a meeting of the Organizing Committee in October of 2003 to see what it was about. He stayed. In January 2004, the Chair asked if the author would be willing to Co-chair, as she had taken a full time position at a local law firm. They shared this role until she became Chair of the Advisory Board when it was formed in May of 2004. He became a board member and Chair of the Grants Committee.

The author is a management consultant whose practice focuses on organizational culture. Helping leaders change workplace cultures is an intervention based upon relationships and communication. This case study was constructed from face to face interviews with over thirty individuals in the three areas, as well as telephone and email contacts. In Healdsburg the observations and interpretations include personal experience, largely corroborated by the perspectives of other members of the Organizing Committee and donors in the community. In Petaluma and West County interpretations about group behavior, intra- and inter-group relationships, and communications are derived from the interviews, supplemented by available documents and records. There is an underlying theoretical perspective — interventions in human systems should include the target group, an *action research* dictum. This bias inhibits us from doing things **to** others and leads us to do things **with** them. Any advice found here is colored by this bias.

Acknowledgements

THIS STUDY would not have been possible without the generous and willing participation of the thirty interviewees. Any errors or omissions are a consequence of the author's inability to write as fast as his subjects spoke. Responsibility for the analysis and interpretation of these events is entirely mine. As a participant observer in the formation and operation of the Healdsburg Area Affiliate, I want to extend my personal appreciation and deepest thanks to DB, the citizen who believed this was possible and launched an effort that was selfless and inspired, and to JL, her cohort, whose understanding of the social and political networks of the area allowed a group to form that was neither right nor left, but pointed straight ahead.

In addition, I owe special thanks to Holly Hoods, Research Assistant at the Healdsburg Museum & Historical Society; Evelyn McClure, from the Western Sonoma County Historical Society; Jim Nagy, Gaye LeBaron, Dan Ramatici, Alan Anspach, and any others who I may have forgotten although they gave me an idea or a direction to look. My coach and guide at Community Foundation Sonoma County, Kate Ecker, Vice President, Development, helped sharpen the fundamental questions. Special thanks to Ray Holley, writer, citizen, and former editor of the Healdsburg Tribune, without whose steady hand, sharp eye, and reshaping of my florid prose, you never would have read this far. And to Liz Pembroke of [Pembroke Studios](#) my deepest appreciation for struggling with convoluted and inconsistent formatting to create a visually pleasing composition of nearly every page ... which may have eased your journey to this final period.

DEVELOPING A COMMUNITY FOUNDATION AFFILIATE

A CASE STUDY | APRIL 2006

COMPARING EFFORTS IN THREE
REGIONS OF SONOMA COUNTY:
HEALDSBURG • WEST COUNTY • PETALUMA

RICHARD BURG
SIMPLE IDEA



SUPPORTED BY:

the **James Irvine** foundation
Expanding Opportunity for the People of California
