

WEINGART FOUNDATION

ANNUAL GRANT REPORT: JULY 2014-DECEMBER 2015

Each year, the Weingart Foundation comprehensively reviews our grantmaking in order to understand what internal and external factors may have impacted us, assess where we allocated our dollars in comparison to the original Program Plan for the year, and identify factors to inform our planning for the next fiscal year. Ultimately, the report is part of our continual process to learn from our work in order to adjust, refine and strengthen our strategies to support nonprofit organizations in effectively serving the underserved.

With these same goals in mind, the report's format looks different this year. The first section is a brief statistical overview of grants approved by the Board for the fiscal year ending June 30, 2015. Here, data is presented visually in one page through infographics, with additional analysis provided alongside that looks at the statistics in relation to our Program Plan for the year. In addition, we include a select number of short "grantee spotlights" to round out the picture of the Foundation's grantmaking.

The second section is a new approach that focuses on grants made to-date for the first half of FY 2016 (July 1, 2015 to December 31, 2015), with an emphasis on capturing initial information that would be useful as the Foundation looks toward completing the fiscal year and planning for FY 2017. Grants data for FY 2016 is organized based on how the Foundation's Program Plan budget is categorized—by grant type (Unrestricted Operating Support, Capital, and Special Project), Foundation Initiatives, and Small grants. Data is based on grants approved (versus paid out), and excludes non-responsive grants (e.g., director's discretionary and matching) unless otherwise noted.

FY 2015

Summary

The Weingart Foundation's grantmaking in FY 2015 saw continued high demand for Unrestricted Operating Support (UOS), which made up two-thirds of our grant dollars. UOS grantees continued to use their grants to support organizational infrastructure and effectiveness.

In addition to UOS, demand for Capital dollars increased compared to the previous year, particularly for new construction projects. The Small Grant Program (all grants \$25,000 and under, for organizations with operating budgets of \$1 million and under) also continued to see very high demand. In the area of Special Interest grants, the Foundation granted \$3.4 million to areas that we had identified as benefiting from a more targeted approach, including immigrant integration and the PropelNext California Initiative. These Special Interest areas laid the groundwork for what in FY 2016 became our Foundation Initiatives, each with its own goals, strategies, and budget targets.

Program Plan

In June 2014, the Weingart Foundation finalized the FY 2015 Program Plan laying out our strategy for the year after a process that involved soliciting feedback from grantees about the external environment, conducting a series of in-person grantee listening tours, and engaging in our annual planning conference (which included Board, staff and selected guests). We also reviewed internal grant documents as well as various reports on trends and issues in the field. The Foundation emerged from this process with a strong commitment to continuing unrestricted funding as our primary strategy to advance nonprofit organizational effectiveness.

The main guidelines and target allocations in the FY 2015 Plan were:

- 60% of the balance available for new grant payouts will go to UOS;
- Management will aim for a grant average of \$175,000 for UOS grants;
- Where appropriate, a portion of UOS grants will be restricted for a grantee's operating reserve;
- Capital funding will be generally restricted for projects that are construction-ready and in the final phases of fundraising; Program Development grants will generally be limited to "high impact" programs of clearly demonstrated effectiveness that have a viable fundraising and sustainability plan;
- \$2.4 million will continue to be allocated for the Small Grant Program (SGP);
- \$2 million will be allocated for areas of special interest as a complement to our main grantmaking program. The Foundation will periodically identify subject areas or issue of high interest that might benefit from a targeted approach.

Grantmaking

How did our actual grantmaking look in comparison to the original targets set forth in the Program Plan?

Regular Grant Program

In FY 2015, the Foundation continued to see high demand for Unrestricted Operating Support grants and had no problem meeting the target allocation. UOS grants totaled \$18.38 million and comprised 63% of grantmaking.¹

The average UOS grant size of \$145,895 fell below the target (though it rose in comparison to the previous year), due to the number of second-time UOS grantees and grantees with smaller organizational budgets, both of which received smaller than average grant amounts. In FY 2016, as a matter of internal practice the Foundation began to adopt a more flexible approach to UOS grant sizes based on each applicant's case for support.

FY 2015 grantees are primarily using UOS grants to support their goals in building fund development capacity (particularly from private sources); developing their boards of directors; updating technology for improved administration, programs and evaluation; and strengthening staffing infrastructure and expertise. In addition, UOS dollars are assisting organizations with building communications infrastructure, strengthening partnerships and collaborations, managing volunteers, developing leadership succession plans, and measuring impact. UOS grantees continued to show interest in the option to restrict a portion of their grant for starting or building organizational operating reserves, although the number and percentage of these grantees fell slightly from the previous year. In FY 2015, 15 (11%) grants included an operating reserve set-aside, compared to 20 (15%) grants in FY 2014. The decline may be related to improving financial positions on the part of nonprofits. In general, we were pleased to see our grantees using UOS to strengthen their infrastructure in ways that will likely lead to improved organizational effectiveness. Our grantees continue to emphasize how rare this type of support is.

UOS Grantee Spotlight:
A New Way of Life
(\$175,000 grant over two years)

Few reentry programs focus on women and even fewer do so as comprehensively as A New Way of Life, located in Watts. Over the past several years, the agency has experienced rapid programmatic growth. Unrestricted Operating Support is assisting the agency in managing and sustaining this growth as it strengthens its infrastructure, builds its fund development capacity and grows its policy and advocacy work.

¹ Including the SGP, 70% of responsive grant dollars went to UOS.

At the same time, demand for Capital dollars also continued to increase, and Foundation funding for Capital, Program and Capacity Building grants totaled \$8 million, exceeding our original target. The ongoing high demand for Capital support prompted the Foundation to identify a specific budget allocation in this area for FY 2016. Capital grants focused increasingly on new construction (versus renovation or IT and equipment), likely reflecting a gradually improving financial and economic outlook for grantees. Reflecting a general preference for unrestricted support on the part of applicants, Program grants were relatively few and supported high-impact projects such as Summer Night Lights and OPCC's Here for Good campaign.

Small Grant Program

The Small Grant Program managed within its budget while continuing to see a high number of strong applicants, resulting in 135 grants. The program continued to support critical service providers in highly underserved communities, as well as community organizing groups and important nonprofit networks and coalitions.

Areas of Special Interest/Foundation Initiatives

Allocations for areas of special interest included nearly \$1 million toward immigrant integration efforts, \$2.4 million (multi-year) for PropelNext California, and \$130,500 for the Full Cost Initiative. PropelNext grants provide primarily unrestricted support to help build capacity with six youth-serving organizations to use data to strengthen their programs. Key grants for immigrant integration supported services to unaccompanied minors (both through a pooled fund as well as a direct grant to St. John's Well Child Center) and capacity building and educational efforts around Administrative Relief.

Small Grantee Spotlight: **TODEC Legal Center** (**\$10,000 grant**)

Located in the City of Perris (Riverside County) with a budget of under \$200,000 a year, the Training Occupational Development Educating Committee is reported to be the only Latino community organization in this rural and highly underserved area. TODEC provides critical ESL, citizenship, and other immigrant integration services and advocacy. The Foundation's unrestricted Small grant is assisting the agency as it continues to increase revenue, strengthen the board, and strengthen its financial position.

In

Capital Grantee Spotlight: **Valley Community Clinic** (**\$200,000 grant**)

The Foundation's Capital dollars supported the North Hills Wellness Center, a new 14,000 square foot health center located on the campus of Monroe High School. The new center is a key part of the Clinic's strategy to keep pace with community needs in light of healthcare reform and will expand access to underserved residents in the San Fernando Valley. The partnership between the Clinic and the high school will also support a workforce pipeline for Monroe students.

Program Development Grantee Spotlight: **OPCC** (**\$500,000 grant over two years**)

OPCC is likely the largest provider of housing and social services on the Westside of Los Angeles. The Here for Good campaign combines ambitious strategies to respond to increased service demand, support the organization's long-term sustainability, and make critical investments in capital and technology. The Foundation's support incorporated a match to assist the agency in securing additional funders.

general, however, organizations working in areas of special interest (e.g., homelessness) chose to come to the Foundation through our UOS grant program. After assessing our special interest grantmaking and taking steps to understand how the Foundation might have more impact in identified high-need areas, we adjusted our strategy, announcing a number of initiatives with specific goals, strategies and budget targets for FY 2016. Much of the groundwork for our current initiatives was laid in FY 2015, including for the Full Cost and Child Welfare initiatives.

Geographic Distribution

A geographic analysis of our grant dollars showed that the distribution across counties continued at similar levels as in the past. Within Los Angeles County, the Foundation continued to reach many of the most underserved communities, including South and Metro LA, as well as the San Fernando Valley. At the same time, organizations serving East LA, the San Gabriel Valley, and the Antelope Valley received the fewest Foundation dollars, reflecting the ongoing challenge of reaching areas with limited nonprofit infrastructure. Staff continues to outreach to and learn from the diverse communities in our service area, having recently completed a listening tour in South Los Angeles and currently planning a joint funder listening tour to Southeast Los Angeles. Through these listening sessions, we seek to better understand the local landscape and identify potential grantmaking approaches. In FY 2015, Foundation met the Program Plan target to focus 60% of dollars to Santa Barbara County to organizations serving the northern region of that county, which is a particularly high-need, underserved area.



*Foundation Initiative
Spotlight:*
**St. John's Well Child
Center**
(**\$250,000 grant over two years**)

In 2014, record numbers of refugee children were crossing the U.S.-Mexico border, most of them escaping extreme violence in Central America. Many of these children were eventually released to sponsors in Los Angeles. St. John's Well Child Center quickly worked with partners to develop "Nuestra Promesa"—a comprehensive system of care to meet the children's healthcare, mental health, social service, and legal needs. The Foundation's restricted funding provided key support to launch this innovative program.



Conclusion

In FY 2015, the value of the Foundation's focus on unrestricted grantmaking as our primary strategy for supporting organizational effectiveness continued to be highlighted. Unrestricted Operating Support grants remained the most in-demand type of support requested, with UOS grantees using Foundation dollars to advance critical areas of nonprofit capacity, infrastructure, and sustainability. The activities UOS grantees are pursuing (fund development, board development, technology enhancements, etc.) are all key for organizational effectiveness, yet at the same time typically difficult to find funding to support. UOS dollars are supporting grantees' efforts towards these goals in the context of a regional economy that continues to see significant poverty rates and growing inequality, with nonprofits reporting extremely high demand for services.

Given our focus on UOS grants, we were able to manage demand for Capital and Program grants by refining our grantmaking criteria in these increasingly competitive areas. The Small Grant Program continued to support important organizations in highly underserved communities and assist them in building their capacity, with a number of these grantees “graduating” up to the Regular Grant Program.

Beyond our traditional programs, the Foundation also began to explore the value of a targeted approach for areas of special interest as a complement to our main grantmaking. We laid the groundwork for this approach in FY 2015, launching formal Foundation Initiatives the following year. As part of this ongoing work, a focused strategy specific to South Los Angeles is currently being developed, and staff is exploring effective approaches for other high-need, underserved communities in Southern California.

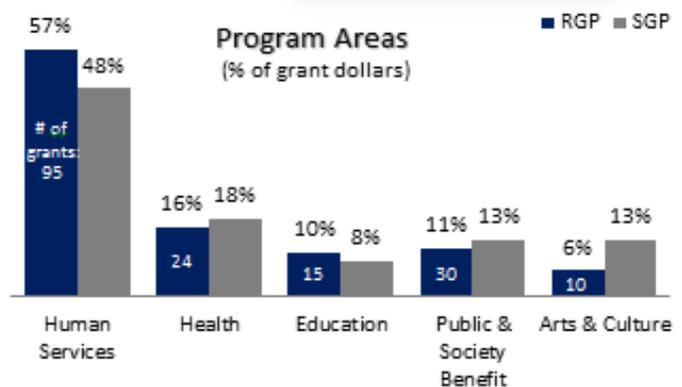
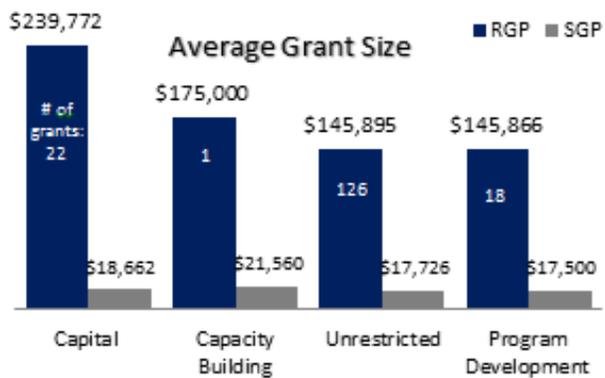
While it is not reflected in our grantmaking statistics, FY 2015 was also the year we laid the groundwork to launch the Foundation’s new Learning and Assessment Framework, which we began to implement in FY 2016. We look forward to gathering this new data that, over time, will deepen our understanding of how we contribute to grantee organizational effectiveness and how we can continue to refine our strategies and practices moving forward.

WEINGART FOUNDATION FY 2015: GRANTMAKING SNAPSHOT

Our mission is to build a better Southern California by supporting nonprofit organizations to more effectively serve the underserved.

In FY 2015, the Foundation made 309 grants totaling \$28.9M through the Regular and Small grant programs. In addition, the Foundation made 16 grants totaling \$3.4M in Foundation Initiatives.

70% of our grantmaking was for Unrestricted Operating Support.



The majority (74%) of our RGP and SGP grantees continue to be small and mid-sized nonprofits with annual budgets under \$5M.

88% RGP*
94% SGP*
Grantees serving economically disadvantaged and underserved communities

Southern California Counties Served

Regular Grant Program						
68%	9%	2%	2%	4%	2%	15%
Los Angeles	Orange	Santa Barbara	San Bernardino	Riverside	Ventura	Multiple So. Cal Counties
58%	9%	6%	4%	7%	3%	13%
Small Grant Program						

Within Los Angeles County

Metro LA	\$2.5M	11%	Harbor Area	\$1.6M	7%
South LA	\$2.8M	12%	San Fernando Valley	\$2.7M	11%
West LA	\$2.6M	11%	San Gabriel Valley	\$1.2M	5%
East LA	\$1M	4%	Antelope Valley	\$54K	0%
Agencies serving multiple LA County areas - \$8.1M, 36%					

Foundation Initiatives

- Immigrant Integration - \$910,000 awarded, 8 grants
- Prope lNext CA - \$2.4M/3yrs. awarded, 6 grants
- Full Cost Recovery - \$130,500 awarded, 2 grants

17% of total grants were made to first-time grantees, continuing the Foundation's commitment to remaining accessible to applicants, regardless of a previous grant relationship.

* Additionally, 12% of RGP and 6% of SGP grants served the general population, which also includes low-income communities.

FY 2016

This section of the grant report focuses in some detail on the year-to-date progress in relation to the FY 2016 Program Plan. As noted earlier in this report, the Foundation's Program Plan for FY 2016 was informed by what we learned from FY 2015. Specifically:

- We set internal budget targets for all program areas to better manage our goals and priorities;
- In selected cases, the size of UOS grants was increased to achieve greater impact;
- Program Development grants were renamed as Special Project grants with refined criteria in place to manage toward our target;
- Capacity building grants were eliminated as a category, as grantees prefer to use UOS to advance their capacity building goals;
- Areas of special interest became Foundation Initiatives, with clear budget allocations, goals and strategies.

With the Foundation just two Board meetings into the fiscal year (leaving three still remaining), the information presented here is intended as preliminary data to inform our practice for the remainder of the year as well as to assist the Board and Management in planning for FY 2017. The following pages outline our FY 2016 grantmaking to-date, relative to this year's Program Plan. Each section highlights key information, issues, and factors in order to provide insight on what we are currently seeing, whether we are on track to meet our goals and targets, any challenges, and possible implications or considerations for planning.

FY 2016 Grantmaking by Program

Unrestricted Operating Support (UOS)

The UOS grant program is the Foundation's primary vehicle for supporting and strengthening the organizational, programmatic and advocacy capacity of our grantees. Most UOS grants are awarded over a two-year period.

To date, we appear to be on target to meet and very likely will exceed the FY 2016 budget for UOS. This year under our Learning and Assessment framework, the Foundation also began tracking grantee progress towards their organizational goals. As a result, in time we will be able to more deeply understand the ways in which unrestricted funding supports organizational effectiveness and identify ways we can strengthen our practice. In terms of grantmaking statistics to-date, however, the following are notable areas to highlight:

- The average UOS grant size is on track to be higher than average grant size in the previous year (\$145,895), reflecting the Board's interest in increased flexibility to

achieve greater impact in this area. The FY 2016 Program Plan sets no specific target for average grant size, instead establishing a general range of \$75,000-\$200,000. With greater flexibility, the Foundation has been able to make some larger UOS grants based on the individual circumstances of each applicant, including one exceptionally large, \$2.5 million three-year grant to Children's Institute International (CII). The CII grant is the Foundation's biggest UOS grant to date and represents our growing ability to consider large unrestricted investments for substantial potential impact on an organization, community, and/or issue area. These larger grants have been balanced by smaller grants to other applicants, also based on their specific circumstances. Therefore, UOS grants in the first half of FY 2016 have spanned from \$70,000 to \$300,000, to—in the rare case of CII—all the way to \$2.5 million in size.

- So far, increasing fundraising capacity continues to be among the most frequently cited needs among our grantees. In addition, requests frequently cited the need to support investments in IT, marketing and communications, as well as board and staff development and strategic planning. The trend of using UOS to strengthen organizational effectiveness appears to be continuing.
- There have been six UOS grantees that are also first-time grantees to the Foundation, a high number when we consider that there were seven in all of FY 2015. While funding is highly competitive, UOS funding remains accessible to organizations we have not previously supported.

Capital

The Foundation supports a range of capital projects as a way to strengthen overall organizational effectiveness. Our Capital grants support land, facility, equipment purchases, renovations, or new construction. Capital funding is generally limited to projects that: are in or about to start construction; are in the final phase of fundraising; and where the grant can be used immediately.

The Foundation is managing to the Capital allocation for FY 2016. As expected, though, we have experienced continued increased demand for our Capital grants than dollars available. As an indication of demand, we are already reviewing a substantial number of requests for FY 2017 and as a result, we have stopped accepting any new Letters of Inquiry for Capital support.

Additional highlights from our Capital grantmaking to-date are:

- We have tended to approve larger, high-impact capital campaigns (versus renovation or equipment projects), which typically come from bigger, better-resourced organizations.
- Five Capital grantees so far were also first-time grantees to the Foundation, a significant figure considering that there were a total of two such grantees in FY 2015. Our Capital dollars continue to be open to requests from organizations we have not funded before, even in this highly competitive environment.
- For FY 2017, the Foundation may want to consider refining our criteria for Capital requests in order to continue to effectively manage the high demand in this area. It will be important to continue to monitor and consider how the Foundation would like to allocate Capital dollars next year.

Special Project

On a selective basis, the Foundation considers Special Project funding restricted for high-impact projects that are aligned with the mission and grant focus of the Foundation. These grants offer the potential to produce significant benefit to low-income and underserved individuals and communities in the Foundation's service area. Given the highly competitive nature of this funding, staff provides a running list of potential requests at each Board meeting for feedback and presents these requests at designated Board meetings throughout the year.

So far the Foundation has made three Special Project grants. The limited number of Special Project grants made to-date has been an intentional result of 1) our new practice of previewing all Special Project requests with the Board and 2) the fact that applicants tend to prefer to apply for out multi-year UOS grants, given the flexibility of these dollars. Given what is in the pipeline, the Foundation will likely meet or come slightly under the budget allocation for FY 2016. In addition:

- Staff will continue to monitor and discuss with the Board the ongoing effectiveness of the Special Project process and whether it continues to meet our goals for this grant program.
- Given the changing nature of this grant program, staff will also continue to be very transparent with applicants about the Foundation's focus, guidelines, and process for Special Projects.

Small Grant Program

The primary purpose of the Small Grant Program (SGP) is to increase access to funding and strengthen the capacity of small, community based, and developing organizations. Therefore, priority is given to organizations with operating budgets under \$1 million.

The Foundation continues to manage to stay within the budget allocation for FY 2016. Notable highlights from our grantmaking to-date are:

- The applicant pool has been extraordinarily competitive. Given our approach to spread available dollars among strong applicants, average grant size is so far tracking below the target of \$15,000.
- This year, the Foundation moved to provide only UOS grants through the SGP (eliminating SGP Capital and Program grants). This change appears to have not diminished the volume of strong applicants.
- For FY 2017, we can likely anticipate a similarly high level of demand for the SGP.
- Staff will continue to assess the impact of the SGP and look for opportunities for better focus and alignment with the Foundation's goal of building capacity and effectiveness, especially in under-resourced communities.

Foundation Initiatives

As a complement to our general grantmaking, for FY 2016 Weingart Foundation has identified several areas of high interest that might benefit from a targeted approach. These Foundation Initiatives are described below.

Full Cost Recovery for Nonprofit Organizations – Overhead Initiative

Goal: To strengthen nonprofit capacity and organizational effectiveness by advocating for full cost recovery from philanthropy and government.

Strategy: 1) State-wide funder collaborative focused on education, advocacy and skills-building to engage, educate, and advocate for change in the practices and policies of private foundations to support the full costs of project grants; 2) State-wide initiative to strengthen the skills of nonprofit organizations to better understand, calculate and advocate for full-cost recovery from both private and public funders, and 3) State and local advocacy to ensure that new Office of Management and Budget (OMB) Uniform Guidance rules regarding indirect costs and other contracting requirements are fully and properly implemented at the State, City, and County level in Los Angeles.

FY 2016 To-Date:

As part of the Full Cost Initiative, the Foundation has made one grant so far this fiscal year at \$22,000 to the Urban Institute for research on California government contracts and grants. We expect to meet the FY 2016 budget for this initiative by the end of the year, with additional consideration of support likely for CalNonprofits' Nonprofit Overhead Project (nonprofit trainings and convenings), work engaging and educating city and county government, including Los Angeles City and County, as well as with work related to private funders through the Real Cost Project (focusing on a "funder pilot" with a cohort of grantees).

For FY 2017, it is anticipated that the goals of this initiative will have largely been met and that the resource needs will therefore be minimal.

Immigrant Integration

Goal: To provide funding to support immigrant integration outreach and enrollment activities and organizational development efforts in Southern California.

Strategy: Provide funding to support:

- Ongoing DACA (Deferred Action for Childhood Arrivals) enrollment;
- Ongoing Administrative Relief preparation efforts in Los Angeles County; consideration of support to local nonprofit collaborative efforts working on Administrative Relief that are based in Orange County and in Riverside and San Bernardino counties;
- Outreach and application assistance for health care and driver's licenses;
- Continued work supporting unaccompanied children;

- Naturalization, citizenship, and nonpartisan civic engagement efforts; and
- Continued consideration of unrestricted operating and project-based funding through the Foundation's responsive grantmaking process to support the capacity and effectiveness of nonprofit organizations working on immigrant integration issues.

FY 2016 To-Date:

The Foundation expects to meet the budget allocation by the end of FY 2016, with a recommendation for immigrant integration work in Orange County included in the February docket, and a subsequent recommendation for work in the Inland Empire likely for June. Grants are likely to be for UOS and will continue to focus on building nonprofit capacity to engage in multiple immigrant integration strategies beyond Administrative Relief.

In order to inform our ongoing planning for this initiative, the Foundation recently hosted a grantee convening focused on immigrant integration this year to discuss with organizations their current needs and the most effective use of Foundation dollars. We are currently analyzing the results of this convening.

Improving Child Welfare in LA County

Goal: To improve the welfare and safety of children under the jurisdiction of Los Angeles County.

Strategy:

- Support for the creation of a Philanthropic Liaison position within the Los Angeles County Office of Child Protection;
- Support to increase the number of foster homes through better coordinated retention, recruitment and referral efforts; and
- Support for nonprofit and funder collaboratives and projects designed to improve outcomes for youth in foster care and other County systems, including probation.

FY 2016 To-Date:

With one grant awarded to-date in support of the new Center for Strategic Public-Private Partnerships (the first ever philanthropy liaison position in Los Angeles County, housed in the Office of Child Protection) and a potential grant possibly to be presented in late FY 2016 related to the recruitment and retention of foster care homes, it is as yet too early to determine if the Foundation will meet our budget for this year or if grants will more likely come to fruition in FY 2017. Due to a delay in the filling the liaison position, work on this initiative has been slower than originally projected. The Foundation will continue to move this work forward and monitor opportunities presented by existing nonprofit and funder collaboratives.

Vulnerable and At-Risk Youth - PropelNext California Initiative

Goal: To help organizations serving Southern California's most vulnerable and disadvantaged youth to strengthen their program models and incorporate the use of data and evaluation for ongoing learning and improvement to attain better outcomes for the youth they serve.

Strategy: The William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, the Sobrato Family Foundation, and Weingart Foundation have joined with the Edna McConnell Clark Foundation (EMCF) to replicate EMCF's innovative capacity building program, *PropelNext*, in California. *PropelNext* is exploring new, efficient and effective ways funders can support nonprofits along their journey to improved performance and enhanced results. The *PropelNext* California Partnership will work with a cohort of 15 California youth-serving nonprofit organizations (six in Weingart Foundation's service area) to develop the mastery to use and apply data for ongoing learning and improvement.

FY 2016 To-Date:

Last year, the Foundation approved UOS and technology-specific grants for six Southern California-based youth services providers as part of *PropelNext* California, with payout scheduled to start in FY 2016. Staff continues to stay involved in the implementation of this capacity building initiative and expect to provide the Board with a formal update in the last quarter of FY 2016. Consideration of funding for a third-party evaluation of the initiative, with costs to be shared among all partner funders, will likely be presented for FY 2017.

Supportive Housing for the Homeless

Goal: To provide funding to efficiently and effectively house the homeless in Los Angeles County.

Strategy:

- Over a two-year period, support one-time move-in costs needed to house chronically homeless patients of the Department of Health Services (DHS) in supportive housing in Los Angeles County. The program will be implemented through a grant to the DHS nonprofit housing intermediary;
- Remain active and continue to provide multi-year funding as part of The Home for Good Funders Collaborative in Los Angeles. To date, the Collaborative, including Weingart funding has raised over \$18 million in private funding, leveraging an additional \$420 million in public resources, which has supported over 19,000 homeless individuals being housed. Grant funds will likely provide comprehensive support services for homeless individuals placed in permanent housing, as well as enhancements to the Coordinated Entry System.

FY 2016 To-Date:

As planned, the Foundation made one grant this year to Brilliant Corners to support one-time move-in costs to house homeless DHS patients in supportive housing in LA County. Several additional opportunities have recently presented themselves, which staff will share with the Board and discuss a plan to continue to support these goals in FY 2017.

South Los Angeles

Background: At the 2015 March Planning Conference, the Board agreed to explore a possible strategy for investment in South Los Angeles given the newly opened Martin Luther King Community Hospital (MLKCH), focused on supporting and building the health, workforce and economic opportunities of individuals and families living near and around MLKCH.

Since the Planning Conference, management along with individual Board members has met with key stakeholders to understand the past and current work and investments made in and around MLKCH. We did not budget funding for a South LA strategy in FY 2016, since we anticipated that FY 2016 would involve exploratory and planning work. Our exploration has been very valuable, and this process has led us to two grant opportunities so far. We see both opportunities as significant and strategic investments toward the larger vision for focused investment in South LA and in particular in those communities around MLKCH. The two current strategies are:

- Support the establishment of the Martin Luther King Community Development Corporation (MLK CDC) to examine the repurposing of County property for community uses in and around the MLKCH. (\$250,000 Special Project grant)
- Capital support for the development of a primary and specialty care clinic and learning center located near MLKCH. (\$750,000 Capital grant)

FY 2016 To-Date:

The Foundation's exploratory process has led us to make two grants totaling \$1 million so far in this area. Foundation staff continue to explore and plan toward a more focused initiative strategy, most recently conducting a South Los Angeles listening tour. Staff is also working with MLKCH to organize a funders convening to share the larger vision of MLKCH and begin to build and gauge funder interest for deeper investment focused on the geographic area in and around the hospital. Management will present learnings and initial recommendations at the March 2016 Planning Conference.

Conclusion

Two Board meetings into FY 2016, there is limited yet suggestive data on our grantmaking program that can assist in informing the Foundation's planning moving forward:

- We are on track so far to meet our budget allocations in all major program areas, with the possible exception of the Child Welfare Initiative. Management will continue to monitor and update the Board at the April meeting, and at that time determine whether to reallocate funds into high-demand program such as UOS.
- The high demand for Capital grants and, conversely, more limited demand for Special Project grants relative to UOS may warrant consideration of revised guidelines and/or additional funding criteria to continue to manage these dollars effectively.
- Our focused approach to Initiatives is working well, allowing the Foundation to identify and track specific areas of targeted work more closely.

- For FY 2017, the Foundation Initiatives that will likely require additional resources according to our current strategies are: Improving Child Welfare in Los Angeles County, Supportive Housing for the Homeless, Immigrant Integration, the South LA Strategy, and, to a lesser degree, Propel*Next* California.
- Management is in the process of exploring additional initiatives to present to the Board for FY 2017, as well as recommendations specific to bringing additional resources to high need, underserved communities (e.g. East and Southeast Los Angeles).
- As always, staff will continue to monitor all areas of grantmaking and will provide the Board with updates as appropriate.

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