SUBJECT:
Community Investments (CI) Department Update

RECOMMENDATION:
Approval of the Community Investments (CI) Department Funding Plan based on the $11 million budget allocation.

BACKGROUND:
At the June 10, 2010 Commissioner meeting, Commissioners approved First 5 LA’s FY 2009 – 2015 Strategic Plan Implementation Plan including an $11 million allocation for the resource mobilization strategy. At the October 14, 2010, Commission meeting the CI Department provided information regarding the resource mobilization framework and potential activities. Since the October 14, 2010 Commission meeting, the CI Department has established strategic partnerships and is in the process of releasing RFPs and RFQs to leverage both fiscal and non-fiscal resources.

There are three major approaches that the Department is engaging into support First 5 LA sustainability efforts including grantmaking, relationship building and information sharing. The information below provides a summary of the Department’s current and projected activities the Department plans to implement in the next three months. All strategic partnerships to date have been timely opportunities identified by staff and have been assessed based on the CI criteria presented and reviewed with the Board at the October 14, 2010 Commission meeting and the Commission’s policies for establishing strategic partnerships.

GRANTMAKING:
The CI Department is providing grants through a competitive grant process and has already identified a number of strategic partnerships to leverage resources.

**Strategic Partners**
As approved by the Commission on November 18, 2010, as part of the Countywide Augmentation, CI is working to establish a strategic partnership with the LA Partnership for Early Childhood Investment (the Partnership), to begin in late March. The goal of the partnership is to increase the number of investors actively engaged in early childhood development programs. Five hundred thousand dollars of the approved $1,500,000 allocation will be to support operations. The remaining $1,000,000 will be matched by the Partnership and used to create a pooled grant fund for activities aligned with the current strategic plan.

CI staff is also exploring a strategic partnership with DonorsChoose.org, an online charity, to leverage resources to fund early learning projects in preschool and transitional kindergarten settings in Los Angeles County public schools. The concept is for First 5 LA to provide DonorsChoose.org with a 1:1 matching grant, which would allow DonorsChoose.org to leverage additional funding from the general public for early childhood education classroom projects that serve the First 5 LA target population. This investment will increase the visibility of First 5 LA strategic goal areas due to Donor’s Choose extensive on-line audience and public relations outreach. The partnership will be established in late March.

**Competitive Grants: Matching Funds Grant, Challenge Grant, and Social Enterprise Grant**
The main competitive grant opportunities to support leveraging fiscal resources include a matching funds program (modeled after the success of First 5 LA’s ARRA Matching Funds program), challenge grants, and social enterprise grants. An RFP will be released for the matching funds program by the end of March 2011. For the remainder of the grants, staff has determined that the most effective
method will be to develop an RFQ to find an intermediary to implement the program. First 5 LA will remain involved in program design and the review process while working with an intermediary during implementation.

The purpose of the Matching Funds Program is to provide matching funds for community organizations to improve their odds of a successful application for non-First 5 LA funding. Non-First 5 LA funds include those available from the federal government and private philanthropies. For selected grantees, First 5 LA would commit to providing a cash match upon receipt of a successful application. This grant would be available to organizations seeking to expand existing programs or create new programs.

The Challenge Grant Program is a competitive grant for those organizations seeking to enhance, expand or sustain existing programs. For selected grantees, First 5 LA would commit upfront to matching any new funds raised by the grantee at a 1:1 match rate, up to a specified amount during the challenge timeframe (i.e., contract period). First 5 LA would also work with grantees to assess their resource development capacity and provide consultants (in addition to the cash grant) to support grantees' resource development efforts to meet the challenge requirement.

The long term goal of the Social Enterprise Grant Program is to increase the number of community organizations that are financially sustainable. The program will encourage and support non-profits who seek to meet their mission using earned income strategies. To accomplish this goal, First 5 LA would provide Los Angeles County non-profits with the capital necessary to build, grow, and diversify their revenue stream by implementing strategies to increase their income and resources. Earned income strategies including fee for service and establishing a for-profit venture would facilitate long term sustainability for non-profits to meet their mission beyond First 5 LA's investment. The investment First 5 LA makes in such a program would result in sustainable organizations by generating revenue to implement their mission.

INFORMATION SHARING AND RELATIONSHIP BUILDING:
Relationship building activities will require First 5 LA to utilize its influence, visibility and resources as a leader in early childhood development to make connections, and develop and strengthen new and existing networks to facilitate leveraging of fiscal and non-fiscal resources. Staff and the Commissioners will work as partners to lead and facilitate the development of such relationships.

Information sharing is particularly important to ensuring communities are working effectively and efficiently in order to maximize resources. Sharing information about best practices is essential in order to leverage resources. In addition to the LA Partnership for Early Childhood Investments, the CI Department has funded an additional three groups that will potentially leverage resources for Los Angeles County through sharing information about best practices and developing critical relationships.

First, $25,000 was provided to the LA Place Based Learning Group to develop relationships and share best practices among funders interested in and implementing place based strategies. First 5 LA has been an active participant in the learning group for three years and initiated its founding in 2008. This learning group has grown to include a diverse blend of funders such as a community foundation, large private foundations, a quasi-public funding agency, LA County government programs, and small family foundations. In 2011 the learning group will continue to meet with four convenings. These learning exchange sessions allow a range of groups in the community investment field an opportunity to learn about timely issues, share their knowledge and problem-solve with their peers.

Second, in conjunction with The California Endowment, First 5 LA contributed $20,000 to maintain operations and support of the LA Neighborhoods Revitalization Workgroup. Formed in January 2010, the Workgroup’s membership includes LA County’s major public systems whose combined budgets represent more than $42 billion in local public investment. This Workgroup is tasked with integrating public and philanthropic investments and initiatives in select distressed neighborhoods. Initially developed as a public/private coordinating body, the workgroup focused on supporting Los Angeles County’s applicants for the federal Promise Neighborhoods initiative. The workgroup’s integrated
support and aligned strategies were a significant contributing factor to two LA neighborhoods receiving highly competitive federal planning grants and, in addition, to two other agencies being in the “high scorers” group and recognized by the U.S. Department of Education. In 2011 the workgroup intends to broaden its scope to encompass a more strategic framework of neighborhood revitalization. This change recognizes that federal place-based efforts are increasingly integrated and that corresponding integration at the local level is critical. The workgroup’s purpose will be to (1) coordinate the public funders sector response to neighborhood efforts; (2) accelerate neighborhood-based participation in a coordinated, inter-agency planning process; (3) leverage anticipated Neighborhood Revitalization Initiative investments as well as other federal, state and local funding on behalf of neighborhood-based efforts in Los Angeles County, and (4) ensure public/private collaboration in planning, funding, and accountability systems with the County’s philanthropic leaders.

Staff is considering providing $15,000 to Advancement Project (AP) to produce a knowledge building and advocacy report. AP will conduct data analysis, and develop and disseminate a brief that identifies disparities in contracting for state child care funding and to identify strategies for how to reconcile those disparities. Advancement Project is engaging in this advocacy project because the California Department of Education’s (CDE) budgetary challenges and other issues have made it difficult for CDE to conduct this type of review internally to bring about change within the system. By funding this opportunity, First 5 LA would support specific information sharing activities that can lead to improvements in LA County’s ability to leverage significant public funding to support child care providers and promote the equitable distribution of public funding for child care across the state. For example, of the state Child Care and Development Block Grant funds (CCDBG) Los Angeles County receives $43 per child, while San Francisco County receives $2100 per child.

Finally, staff is exploring ways in which the Commission can support program related investments and strengthen existing collaborations and systems organized around efforts to leverage state, federal and private investments in communities. For example, opportunities such as the White House Neighborhood Revitalization Initiative, which includes Promise Neighborhoods, Choice Neighborhoods and the Byrne Criminal Justice Program among others, can lead to increased funds for the County through the draw-down of federal funds should communities be successful in these efforts. Additionally, these community activities have generated cross-sector and cross-system collaborations as well as interest from private funders. Staff is exploring how First 5 LA can continue to support this work and increase the prominence of issues related to children 0-5 and their families.

**DISCUSSION:**

All of the activities mentioned above contribute to the total portfolio of resource mobilization activities for FY 2010- FY2011. The following table summarizes the distribution of the $11 million allocation by opportunity:

### Funding Allocations Estimate

**February to June 2011**

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Timeline for Negotiating Contract</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge Grants</td>
<td>June 2011</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Collaboration and Network Building</td>
<td>June 2011</td>
<td>2.5 million</td>
</tr>
<tr>
<td>Information Sharing/Relationship Building</td>
<td>June 2011</td>
<td>0.5 million</td>
</tr>
<tr>
<td>LA PECHI (CWA)</td>
<td>April 2011</td>
<td>1.5 million</td>
</tr>
<tr>
<td>Matching Grants</td>
<td>June 2011</td>
<td>0.5 million</td>
</tr>
<tr>
<td>Social Enterprise Grants</td>
<td>June 2011</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$11.0 million</strong></td>
</tr>
</tbody>
</table>
Beyond the $11 million resource mobilization allocation, the CI department is also overseeing a portion of the Oral Health and Nutrition Project (OHN) and the Community Gardens Initiative (a countywide augmentation approval). Furthermore, the CI Staff is coordinating with departments across First 5 LA to support sustainability of several projects. For example, in conjunction with the Program Development Department has been engaged in targeted outreach efforts to a range of stakeholders who have extensive knowledge of and influence over public and private resources that could be leveraged to implement and sustain home visitation programs in the Best Start Communities. For more information on the CI activities associated with home visitation, please see the home visitation CEO update included in this packet.

Per the Board’s request CI staff will report back to the Commissioners regarding lessons learned in June.

For Office Use

Board Action Taken:

Approved:  □ Yes  □ No  □ Further Discussion

Referred to Committee/Work Group: ________________________________

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1 DonorsChoose.org offers partnership opportunities in which a funder can commit to fund 50% of any classroom project meeting the funder's specified criteria. During the length of the partnership, the funder's logo is prominently featured at DonorsChoose.org, inviting other funders to activate the match offer by donating the remaining dollars needed.


3 This project was proposed as part of the Countywide Augmentation to the 2009-2015 Strategic Plan.