

The Rebuilding Communities Initiative

Annual Evaluation Report

***The First Fifteen Months
of the Capacity Building Phase
(October 1995 - December 1996)***

Prepared for
The Annie E. Casey Foundation

by the
OMG Center for Collaborative Learning

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I. Introduction

This Annual Evaluation Report provides a summary assessment of the first fifteen months of the Capacity Building Phase of the Annie E. Casey Foundation's (the Foundation) Rebuilding Communities Initiative (RCI). During the period from October 1995 through December 1996, the sites had the opportunity to use Foundation resources of up to \$625,000 to focus on increasing their capacities to implement the plans developed during the Initiative's Planning Phase. Working individually and together, the five sites — including the lead CBOs, their designated collaborators, residents, and other local partners — began to strengthen themselves organizationally, build their knowledge-base in new substantive areas, and develop the skills needed to carry out their communities' visions for improving the neighborhood environment for children and families.

Also, during this time, the Foundation concentrated on increasing its own capacity to support the Initiative. It sponsored conferences and cross-site meetings and launched a technical assistance strategy designed to support the sites' capacity-building efforts. More importantly, through strong and open staff leadership the Foundation established the conditions in which honest dialogue and learning could occur across the Initiative.

This first progress report on the Capacity-Building Phase focuses mainly on describing the accomplishments and challenges faced by the CBOs, their governance councils, and local partners in building new capacity for comprehensive neighborhood improvement. We have organized our assessment of the sites' progress around six broad themes that correspond with the original goals of the Initiative: 1) strengthening the capacity and impact of neighborhood governance structures, 2) maximizing the capacity and impact of neighborhood resources and institutions, 3) empowerment and resident participation, 4) developing an effective neighborhood-based human service delivery system for children and youth, 5) increasing public and private investment streams to maximize capital investment, and 6) developing housing and infrastructure. Since increasing the capacity of the five lead CBOs to facilitate neighborhood change has been a central premise of the Initiative, we also specifically assess their progress during this period in taking on new leadership roles in their communities. And finally, we report on the challenges the Foundation itself faced and its accomplishments in guiding this first year of Capacity Building.

The document has six additional sections. Section 2 contains a brief overview of the evaluation activities during the last 15 months. The assumptions and the activities of the Capacity Building Phase of RCI are discussed in Section 3. The cross-site assessment findings about the sites' progress are presented in Section 4. The accomplishments and challenges faced by the Foundation in managing RCI are described in Section 5. The RCI technical assistance strategy is reviewed in Section 6. The final section contains a brief summary assessment and several recommendations for going forward within the Capacity-Building Phase.

2. Overview of Evaluation Activities

During the last 15 months, the OMG evaluation team has been engaged in a variety of activities consistent with the Evaluation Plan developed during the RCI Planning Phase. These activities have enabled the team to continue observing and documenting the current activities of the Initiative while systematically: 1) gathering the array of baseline data identified as relevant to the set of measurement indicators developed previously; 2) providing formative feedback to the Foundation and the sites on RCI's progress; and 3) sharpening the frameworks and measures that will be used to assess the progress made by the sites in some of RCI's more challenging dimensions such as neighborhood leadership and institutional capacity. Each of these assessment activities is summarized briefly below.

- **Interviews with Foundation staff.** Three sets of conversations with AECF program staff took place during this time period. Their purpose was to fully understand RCI staff perspectives on how the Initiative is progressing, key accomplishments, and key challenges. Also discussed were Foundation staff perspectives on the progress of individual sites; these conversations were usually done in preparation for an assessment site visit and provided important input to the planning of assessment team visits.
- **Conduct of site visits.** The evaluation teams visited each of the sites at least three times during this period. Prior to conducting site visits the evaluation team reviewed workplans, progress reports and other relevant documents. At the end of each site visit, if the schedule permitted, the evaluation team provided each site with feedback on assessment observations. If the schedule did not permit an on-site meeting, the evaluators conducted a follow-up feedback session by phone.
- **Design and conduct of the pilot neighborhood inventory.** During much of 1996, OMG staff worked closely with AECF's Senior Research Associate in charge of the evaluation to design a neighborhood resources inventory which would enable systematic gathering of baseline information on existing programs, services and other amenities in each community in key program areas likely to be affected by RCI. The information to be gathered through the inventory complements that being gathered by other means (the community survey, site visits, agency data-bases) and fits within the cross-site indicator areas identified with AECF staff and the sites: health and health education, education, recreation, youth programs, arts and culture, human services, economic development, housing development, senior citizens, and facilities and places.

The strategy and data-gathering instruments were developed over the summer and fall and, in December 1996, three OMG staff successfully piloted the neighborhood inventory in the La Alma Lincoln Park neighborhood with assistance from NEWSSED. After the scheduled on-site workshop to gather initial inventory information, plans were made with NEWSSED for hiring two local community staff part-time for

approximately 4 weeks to follow-up and verify missing information. Subsequently, the team made minor revisions to the process and finalized plans for implementing the inventory in the four remaining sites during 1997.

- **Collaboration with Metis to support conducting the community surveys.** OMG's role in survey implementation is limited. However, OMG worked closely with Metis staff during 1996 to assist them with the development of the detailed maps used by surveyors at each site and in preparing subcontracts with the sites for their implementation. The surveys were completed at Marshall Heights, Germantown and La Alma/Lincoln Park during 1996.
- **Collection of agency-based data.** During 1996, OMG staff began to formulate the overall strategy and workplan for gathering the additional agency-based data needed. Initial contacts were made with several sites to begin identifying what data is available and determine the feasibility of the strategy and workplan. The data-gathering is intended to be completed in 1997.
- **Development of outcome grids.** Recognizing the need to establish meaningful measures and instruments for assessing progress in building neighborhood-based institutional leadership and collaboration, OMG began in 1996 to research possible performance indicators that can be used to track development for certain critical Initiative elements. These include: organizational development for comprehensive community initiatives, local partnership development and collaboration, community/resident leadership development, and governance council capacity. OMG expects to propose a more detailed framework and measures specifically relevant to RCI by late in 1997.
- **Feedback to AECF staff and the RCI project participants.** In its formative evaluation role, OMG assessment team members met with AECF staff two times in person to share our perspective on RCI accomplishments and issues of concern during 1996 and to offer suggestions for 1997 and beyond. In addition, team members maintained contact by phone with AECF program staff on a regular basis. The RCI assessment team also presented an overview of its observations and recommendations concerning the Planning Phase at an RCI conference which took place in late 1995 at the beginning of the Capacity-Building Phase.
- **Finalizing and overseeing production of the Assessment Report of the Planning Phase of RCI.** OMG prepared the final report on the first phase of the Initiative and worked closely with AECF evaluation staff to finalize the report and prepare it for printing. In addition, OMG staff prepared a summary report for broader distribution.

Through the activities described above, the RCI evaluation team not only deepened the foundation of data and observations needed for a future evaluation of the substantive outcomes of the Initiative, but also provided RCI program staff and individual sites with an additional independent perspective on progress being made. Through periodic feedback to the other participants, assessment team members were able to have a formative impact on some aspects of the Initiative; for example, how AECF organized its own staffing of

RCI, the focus and overall coordination the technical assistance provided, and the quality of communications between grantees and the funder.

3. Assumptions and Activities of the Capacity Building Phase

Before reviewing what has occurred during the first half of the Capacity-Building Phase, it is helpful to review the overall structure of the Initiative. This is most easily done by referring to the conceptual model developed by the assessment team working with AECF staff during RCI's planning phase. This model, shown in *Figure 1* on the following page, presents the overall structure of the Initiative and the critical areas that define its focus within each of the sites.

At the left side of the diagram is the *Annie E. Casey Foundation*, which conceived the Initiative, is providing core funding, and will maintain an active leadership role throughout all the phases. Through monetary grants and the contributions of *technical assistance providers*, the Foundation is supporting planning, capacity-building, and collaboration among a set of institutional stakeholders in each of the five neighborhoods. These neighborhood alliances will likely be joined by additional organizations from beyond the local communities (government agencies, service providers, private businesses, and other funders). We refer to the networks of interacting organizations within each neighborhood as *systems of institutional collaboration*.

Each of the neighborhoods will undertake projects within the *five critical areas* specified by the Foundation. These areas include:

- Maximizing the capacity and impact of neighborhood resources and institutions;
- Developing an effective neighborhood-based service delivery system for children, youth and families;
- Reforming existing investment streams to maximize positive neighborhood impacts, and increasing public and private capital investments in the neighborhoods;
- Improving housing, physical and social infrastructure; and
- Strengthening the capacity and effectiveness of neighborhood governance collaboratives.

These projects will arise from *site-specific strategies* which will vary from neighborhood to neighborhood.

The Initiative is expected to result in two kinds of outcomes—intermediate and ultimate outcomes. *Intermediate outcomes* are those that will produce a set of changes in the lead CBOs and the capacity of the neighborhood collaboratives, a set of programs and overall

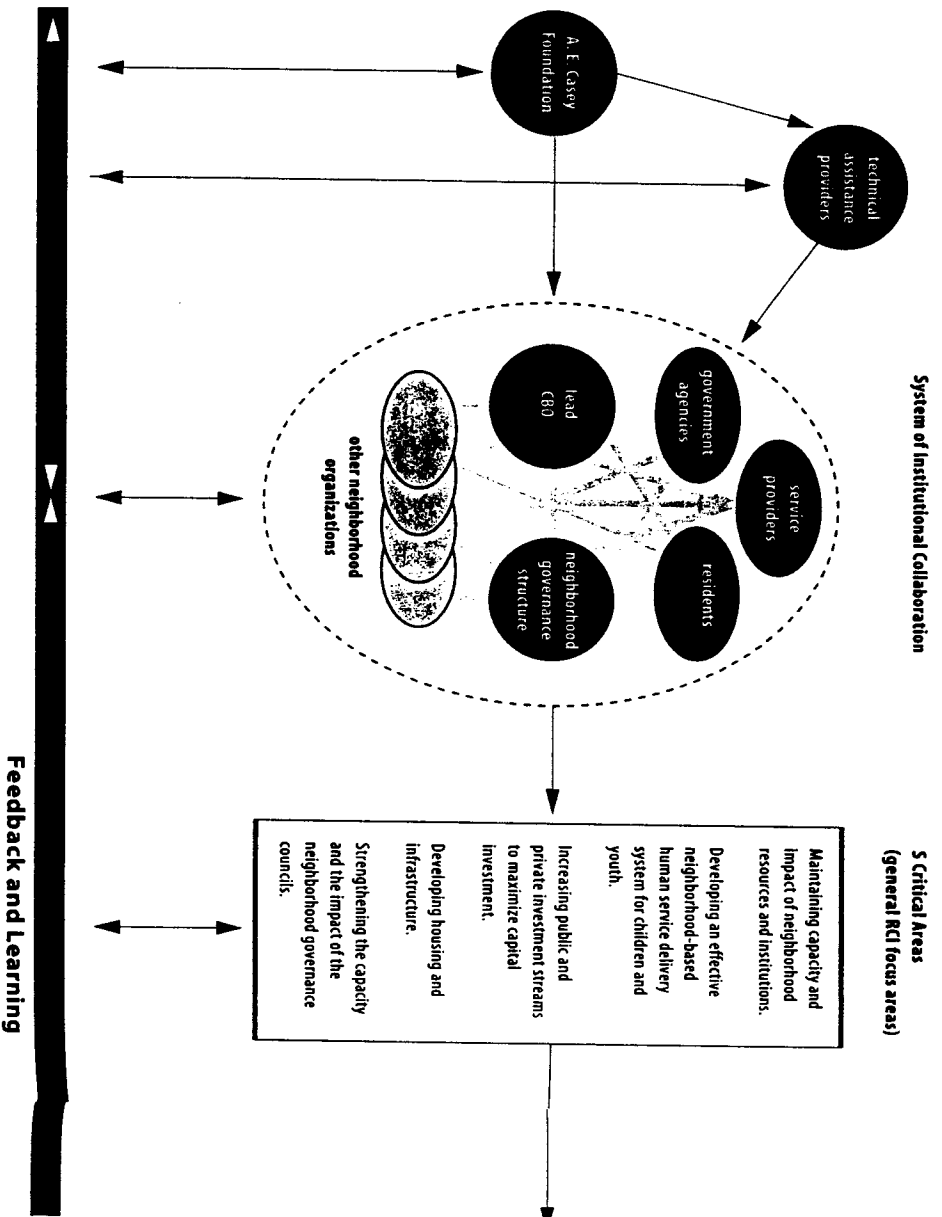
improvements in neighborhood environments, or changes that will make neighborhoods better places in which to live and to raise children. The Foundation expects that the intermediate outcomes will result in a better quality of life for residents, and particularly in *ultimate outcomes*—improvements in child and family well-being.

RCI was conceived as having three phases. RCI's initial Planning Phase, which extended for 20 months, began with planning grants awarded to the five selected CBOs to design strategic plans that would guide the Initiative's later stages, and engage other collaborators in comprehensive assessments of each community's needs and opportunities. The current Capacity-Building Phase is intended to extend for three years, during which each site is expected to receive an additional \$1.5 million to support skill-building, partnership development, the initiation and refinement of program interventions, and further strategic planning. The final Demonstration Phase of the Initiative is expected to extend for an additional three years, during which the grantee organizations and their collaborators will have an opportunity to plan and manage a demonstration of neighborhood capacity in some combination of the five critical areas taking some aspect of their community-building work to scale.

The Capacity-Building Phase is providing the five participating sites with both the resources and the time needed to strengthen their overall capacity to implement the ambitious goals and plans formulated during the initial Planning Phase. During this phase, the lead CBOs in each site are making improvements in their own organizations in areas such as board governance, personnel structures, financial and administrative systems, program planning and development, team-building and leadership, while building the technical skills needed to move into new areas identified in their plans. In addition, the newly established governance structures are expected to gain skills and capacity in making planning and resource allocation decisions affecting their communities. Finally, this phase is providing an opportunity for skill-building within and among other local partners drawn into newly established collaborations working to implement RCI plans in each site.

With this overview of the overall RCI conceptual model and the purposes of the Capacity-building Phase as background, we first summarize some basic assumptions and understandings that have helped shape the Capacity-Building Phase. Then we briefly document the kinds of capacity-building activities that were supported by the Foundation during the last 15 months.

Figure 1
Schematic Model for the Rebuilding Communities Initiative



Capacity-Building Assumptions

An examination of the conceptual model of RCI developed during the Planning Phase together with the experience of the last 15 months suggests that several key assumptions have underpinned the approach taken to building capacity within the five RCI communities. These assumptions follow:

- Implementing the goals contained in the RCI plans will depend on increases in the capacity of many different players within each of the participating communities. Therefore, not just the lead CBO, but other parts of the “systems of collaboration” — for example, the governance councils, other collaborating CBOs, individual residents, and other local agency partners — need to benefit from organizational and technical skill-building.
- Consistent with the systems change goals of the Initiative, capacity-building efforts must also reach beyond the RCI communities to engage larger “system-level” players, including the city, state and federal actors who control many of the resources that might be brought to bear in efforts to improve the RCI communities. Part of the overall strategy must be to influence the capacity of these larger systems so that they can better respond to the community’s needs. This “system-level” capacity-building is occurring mainly through the interactions the community organizations have with the relevant agencies; in some cases, local efforts have been strengthened by AECF’s direct assistance.
- Within the Initiative, capacity-building encompasses the enhancement of both process and technical skills of actors in the RCI communities. Examples of process skills include convening and facilitating collaborative governance structures, organizing for resident participation, and improving larger agency skills to respond more effectively to community needs. Examples of technical skills include building knowledge bases in program areas such as youth, education and housing development.
- Because the RCI lead CBOs share similar roles and because the RCI plans encompass similar substantive areas, some aspects of the capacity-building effort can occur across all the sites. However, because each of the sites has produced a unique plan and because the specific needs of the lead CBOs and their collaborators do vary considerably, the majority of capacity-building activity is site-specific and needs to respond to particular needs and conditions.
- Capacity-building can occur in a variety of ways which can reinforce one another. Within RCI, it often occurs through project-based activities, such as building skills in data collection and utilization through the conduct of the RCI neighborhood survey, or building experience in housing finance by working with a coach through the predevelopment process for a new tax credit-financed housing development. It also occurs through engagement with peers, consultants, and technical experts in cross-site workshops and conferences.

These assumptions and understandings about how capacity is developed are increasingly shared by the RCI program staff, technical assistance providers, evaluators and site representatives.

Capacity-Building Activities

The activities that have thus far been supported and encouraged within the Capacity-Building Phase are generally consistent with the above assumptions. During the initial 15 months of this phase, the Foundation supported the five sites with the following resources and activities:

- **The five lead CBOs received significant core funding from AECF.** This enabled them to support their own staff and cover a portion of their organizational overhead as well as fund some other CBOs' and program activities consistent with the Initiative.
- **AECF program staff were actively and closely involved in guiding and managing the Initiative.** The level and quality of staff leadership provided by AECF helped to establish trust and build a pattern of more honest communications, both necessary conditions for partnership and learning among all the players — AECF staff, the five sites, the TA providers, and the evaluators.
- **Program staff established a pattern of frequent communications with each of the sites.** This included regular program staff site visits, periodic phone follow-up, and other communications, all of which enabled staff to be fully informed about each site's issues and progress, and to observe, nudge and otherwise engage closely with the sites around ongoing activities.
- **A cross-site team of experienced organizational development consultants was assembled and supported by AECF to work with the RCI sites.** The consultant team focused on the lead CBOs, the governance councils, and, to a limited degree, identified local partners. In addition, AECF reinforced and supported its investment in the national cross-site team by moving to a model of local OD coaches who worked with a lead consultant from the national team for each site.
- **The lead CBOs received support to improve their information technology systems and upgrade their infrastructure.** This was done through technical assistance in areas such as a computerization assessment, planning and implementation for hardware and software. In addition, at several sites, RCI paid the costs for hardware and installation.
- **AECF supported training in data collection and utilization through technical assistance on a variety of activities.** In addition to its support of Metis Associates as a general resource to the sites in information technology, it encouraged the engagement of the sites in assessment activities including the

conduct and interpretation of the neighborhood surveys and the neighborhood resources inventory.

- **The five sites received support in building their technical knowledge in specific programmatic areas.** AECF achieved this by engaging consultants and designing conferences in such areas as education reform, human services for children and families, and youth programming and activities. Areas identified for future assistance include organizing and leadership development, communications and documentation, and fund raising.
- **AECF helped expand the sites' appreciation and understanding of evaluation and the role that it can play within the Initiative.** It did this by providing opportunities for the evaluation team to present findings and recommendations at national conferences and through regular references by AECF program staff to evaluation activities and the evaluation role within RCI.
- **The Initiative's overall goals as well as the more specific objectives of the Capacity-Building Phase were continually reinforced by RCI program staff.** This was accomplished mainly through three Initiative conferences that were designed to: introduce new skills, fields, best practices and the resources of individual specialists; increase opportunities for building trust in the group by sharing and discussing difficult issues (e.g., the challenges associated with establishing and building skills of the governance councils); create opportunities for cross-site learning and for informal cross-site network development; and encourage the sites' efforts through celebrating accomplishments and recognizing difficult challenges.
- **RCI program staff worked with the sites to engage local funders and government agencies to encourage supportive programming, staffing and policy decisions and to enhance local capacities to support RCI's system change goals.** It did this through meetings in the course of regular site visits and occasionally by providing assistance to the sites in establishing contacts or jointly approaching prospective local supporters of RCI-related activities.

4. The RCI Sites' Progress with Capacity-Building Tasks

In the next several pages, we present our observations about the sites' accomplishments and challenges during the initial 15 months of the Capacity-Building Phase. We begin the section with early findings about how the lead CBOs are building their own capacity to lead the Initiative in their respective communities. Then we present our general observations about progress made among the communities themselves; as indicated earlier, these are organized into six themes consistent with RCI's broad community-building goals: 1) strengthening the capacity and impact of the neighborhood governance structure, 2) maximizing capacity and impact of neighborhood resources and institutions, 3) empowerment and resident participation, 4) developing an effective neighborhood-based human service delivery system for children and youth, 5) increasing public and

private investment streams to maximize capital investment, and 6) developing housing and infrastructure.

Strengthening the Capacity of the Lead CBOs

During the last 15 months, the lead CBOs have been a primary focus of attention for many of the capacity-building activities mentioned above. Although some of the CBOs began RCI with more experience than others as neighborhood intermediaries, RCI challenges each of them to enhance their leadership abilities within their respective local systems of collaboration. Therefore, each lead CBO has concentrated on increasing skills in: organizing, convening diverse stakeholders, leading the governance councils in joint decision-making, mediating conflicts, differentiating the governance structures from the lead CBO's board, and managing organizational growth and change. In addition to these process skills, the CBOs have also focused on building their technical knowledge-base and skills in such areas as: collecting and utilizing data, education reform, services for youth and children, leadership development, and documentation and communication. OMG's observations about progress on these tasks are noted below.

Organizational Growth: Lead CBO Budget and Staffing Changes

Changes in each CBO's budget and staffing are being tracked by the evaluation team as significant indicators of organizational change that bear on the lead organizations' abilities to achieve RCI goals in their respective communities. An analysis of fiscal and personnel changes within the lead CBOs helps in understanding the influence that RCI is having on their overall organizational structure, deployment of staff for RCI activities, and the availability of resources to meet RCI and overall organizational needs. It also helps in understanding the wider organizational contexts in which RCI decisions are being made.

- As *Table 1* below reveals, since RCI's inception in 1994, all of the reporting CBOs' operating budgets have continued to grow. Most notable is the enormous and rapid rate of growth for Germantown Settlement — according to figures provided, the Settlement's budget has more than doubled. NEWSSED's grew by 65%, MHCDO's by 44%, DSNI's and WCDC's each by 36%. The pace of growth continued for NEWSSED during 1996 but appears to have slowed down somewhat for MHCDO, DSNI and WCDC. All the CBOs continue to struggle with pressures of hiring new staff and managing new initiatives.¹

¹ A closer financial analysis is required to determine to what degree and in what ways RCI has caused the level of growth that has occurred in each CBO. The sites generally acknowledge that RCI support does account for some of the recent growth evident in the table.

Table I: Changes in the Lead RCI CBOs

	DSNI	GS	MHCDO	NEWSED	WCDC
Number of full-time staff					
12/93	9	50	42	6	24
12/95	17	58	54	11	32
12/96	13	65	54	13	37%*
Percent change in full-time staff since 12/93	44%	30%	29%	117%	54%
Annual Budget					
12/93	\$690,000	\$1,332,000	\$2,623,000	\$814,000	\$1,500,000
12/95	\$1,210,000	\$2,680,000	\$3,780,000	\$1,174,510	\$2,810,000
12/96	\$941,000	\$3,005,000	\$3,776,000	\$1,344,943	\$2,039,000
Percent change in operating budget since 12/93	36%	125%	44%	65%	36%
AECF revenue used internally by the CBO as % of total revenue²					
1994	18.1%	10%	6%	20%	8%
1995	19.9%	20%	5%	19%	7%
1996	30.6%	11.1%	12.7%	18%	26%
Trend in percent of total CBO budget funded by AECF revenue	Upward	Mixed	Upward	Stable	Stable**

* Figure does not include 10 Vista Volunteers which are FT staff at WCDC.

** Increase reflects change in reporting total revenue; previously reported figures included capital budget revenue.

- RCI revenue does represent a significant share of the core operating budgets of each of the CBOs, and for the majority of them, the percentage has remained steady or increased since the commencement of the Initiative. For several of the CBOs, the percentage of the total organizational budget now covered by RCI is great enough that withdrawal of this support would threaten the stability of the organization. For all five

²

This revenue number includes only AECF monies that were used by the lead CBO for staff, travel, direct expenses including consultants, and overhead. It excludes money that was spent for support of other RCI partners or collaborators.

CBOs, the RCI dollars are especially valuable because of their relative flexibility compared with other funding on which the CBO depends.

Other CBO Changes

Providing support to the selected lead CBOs to strengthen their ability to carry out their local coordinating and facilitating roles within RCI has been a critical element of the overall RCI strategy. Therefore, as part of the Planning Phase, each CBO was encouraged to conduct an organizational assessment to provide a framework and priorities for organizational capacity-building assistance. As the Capacity-Building Phase commenced, all five of the CBOs had identified a variety of organizational development tasks to better enable them to fulfill their new or expanded roles as neighborhood facilitators and intermediaries. Below are observations about the CBOs' progress on these tasks:

- **Four of the five lead CBOs have made a clear, high-level organizational commitment to the Initiative.** Evidence for this may be found in GS's, DSNI's, NEWSSED's and MHCDO's establishment of a full-time RCI Director position; in each of these organizations the RCI Director is now a senior position. Additional evidence of organizational commitment is found in the significant level of time allocated to RCI by the Executive Directors of each of these four organizations. In Germantown Settlement, during the past year a senior project manager was added to the existing RCI team which already included two other top-level staff people. In one site, WCDC, progress has been slower and the same level of organizational commitment is not yet evident. At the end of the first 15 months of the Capacity Building Phase, WCDC was still struggling with staffing the Initiative; although the staffperson serving as the RCI Project Director has appropriate skills, the position is not full-time and has not been full-time since early in the Planning Phase.
- **During 1996 the CBOs worked closely with AEFCF, the evaluators and the TA team to candidly discuss their expectations for the Initiative and their own progress within it.** Having successfully and safely passed through the hurdle of refunding, and under the guidance of a strong Initiative program staff, the CBOs have gradually been willing to take more responsibility for the Initiative as a whole. Evidence of this shift may be found in increasingly honest conversations about site-specific challenges at meetings and conferences. Some have also observed a reduction in the tendency to "showcase" accomplishments rather than confront more difficult issues. During the last 15 months, RCI technical assistance consultants reported that GS and NEWSSED have joined DSNI in making strong commitments to organizational development. However, the evaluation team observes that WCDC and MHCDO continue to be ambivalent about inviting Foundation staff and the OD consulting team to become more closely involved in their internal organizational issues. Although WCDC did begin working with a member of the OD consulting team toward the end of the year, the organization's financial and general management issues consumed much of their time, energy and focus. MHCDO appears to have not yet found the right fit with a strong OD consultant.

- **Each of the CBOs is working toward greater integration of the Initiative with the larger organization, but all need more assistance with this.** Over the last year, two out of the five organizations, DSNI and GS, have made shifts toward integrating RCI throughout their organizations. Although staffing and operations do not fully reflect the new organizational change, DSNI has moved in this direction the most. At DSNI the organization's mission is now actually the mission of RCI. By the end of 1996, GS had just started to address issues of organizational integration and hoped to progress further during 1997 with the benefit of OD assistance. NEWSED is working closely with its OD consultant to tackle issues of overall organizational structure as it continues to grow rapidly and take on new program areas. MHCDO is taking on this issue by attempting to better integrate its RCI Steering Committee activities with those of its own board; however, it experienced some difficulties during 1996 when the goals of at least one of its RCI working committees (housing) diverged significantly from those of its own board committee in the same program area. WCDC staff claim that the RCI agenda is increasingly defining the organization's mission; but within this organization the Initiative still seems fragmented.
- **The presence of a strong leadership team remains a critical factor in the lead CBOs' progress within RCI.** This is most evident in the coherent and steady progress being made within DSNI and MHCDO where a strong leadership team of RCI Project Director and Executive Director has existed most consistently. This is also evident in the progress made by GS this year, where RCI activities gained both momentum and focus with the addition of Wanda Mial as RCI Project Director to the existing RCI team of Connie Swinson and Emanuel Freeman. Although WCDC and NEWSED both advanced on their RCI agendas, they both also struggled to form consistent and effective RCI leadership teams during this time period.
- **Three of five of the CBOs have embraced the organizational development technical assistance (OD TA), although to different degrees.** Advancing with a key tenet of capacity building, during the last 15 months GS, DSNI, and NEWSED have made significant progress in a number of organizational development areas. DSNI hired a new Executive Director and continued to progress on several agenda items, although more slowly than in the prior period. Also during this period, NEWSED connected well with a strong OD TA provider and progressed on numerous issues, as did GS. Toward the very end of 1996, WCDC had begun to form a relationship with an OD TA provider, and had just started to address some difficult organizational staffing and leadership issues. MHCDO had not yet established its commitment to organizational development capacity building within RCI — partly because of organizational ambivalence about the need for outside assistance and partly because of not finding the right match with an appropriate consultant.
- **The CBOs are still struggling with developing the skills for effectively leading their neighborhood collaboratives; the majority of the CBOs have made large commitments of time and resources to working with them.** All of the CBOs have spent a great deal of time and staff resources on training their governance councils in a variety of areas such as joint decision-making, plan priority development, resolving conflict and partner selection. Evidence suggests that GS has spent the most time in this area. However, since for most of the CBOs the role of neighborhood intermediary

is still a major shift, they all need assistance and practice with building their own skills to lead this Initiative.

- **During the last 15 months, the CBOs have developed an increased appreciation of the value of data; those sites participating in the neighborhood survey in particular have started to build valuable new skills.** MHCDO and GS have embraced the process and output of the neighborhood survey more than was expected, and as a result have advanced their capacities in survey implementation and data utilization. This is promising for the remaining set of CBOs. By year end, NEWSSED was fully engaged in the survey process and DSNI was eager to get started with the survey and to gain access to the data it was expected to provide.

Strengthening the Capacity and Impacts of the Neighborhood Governance Structures

During the Planning Phase of RCI, four of the five sites worked to establish a new RCI governance structure which was expected to evolve into a broadly representative, community-based decision-making and monitoring body for the Initiative. Most of the sites were generally successful with the early steps in establishing the new structures. But at the commencement of the Capacity-Building Phase, many challenges remained in strengthening the capacity of these newly established governance structures to take on the roles for which they had been created. These new governance structures were still struggling to better understand their roles, make difficult partnering and prioritization decisions, build skills in managing conflicts, and better differentiate their decision-making roles from those of the CBO boards that already existed.

- **As they progress beyond their initial start-up phase, a range of new roles have begun to emerge for the governance councils.** Some of these include: facilitators for the resolution of community conflicts; the selectors of RCI partners and grantees through an RFP process; sponsors, planners and hosts of RCI celebrations and acknowledgment events; refiners of governance council membership and of its role and responsibilities; developers of plan and partner standards; and monitors of the neighborhood plan and program elements.
- **Some of these newly established governance structures have become stronger as they have responded to new challenges and discovered their capacity to address and resolve conflict.** Among this year's successes are: in Denver, the PODER Advisory Council came together and gained strength when it affirmed its community mission despite ongoing conflict stemming from a minority faction; in Detroit, the local council learning about local CBO capacity and how to craft an appropriate RFP process that facilitated rather than hindered community organizations to actually respond and thereby participate as RCI partners; in Germantown, GS completed the process of forming a democratically representative governance council and conducted an RFP process for funding in several sectors; in Boston, a collaborative decision process resulted in the joint funding of a site selection process for a new multi-function/multi-organization center by the DSNI Board and the Bird Street Community

Center; and in Washington DC, new leadership emerged as a result of the RCI Steering Committee's need to manage conflict within some of its working groups.

- **Managing the newly established governance councils has proved very demanding for the lead CBOs.** Although all of the CBOs have progressed with developing their governance councils, each of the CBOs confronts difficult governance issues which must still be addressed. DSNI had not implemented its training for its new board, and many have little familiarity with RCI. In MHCDO and WCDC there is confusion and redundancy with board functions, and during the last year, evidence suggests that GS has concentrated on the formation of its governance council almost to the detriment of other RCI activities. GS, along with WCDC and MHCDO have begun to question the value of managing both the governance councils and their own boards, and have started to explore avenues for simplifying the process.
- **Despite the demands they are making on the CBOs, the governance councils are broadly representative of the RCI communities, and the CBOs are recognizing the value of the additional new voices and resources they provide.** All of the CBOs acknowledge that the RCI process and the formation of the governance councils has forced them to rethink their connections to their communities and to again include a broader set of stakeholders in the community decision-making process.

Maximizing the Capacity and Impact of Neighborhood Resources and Institutions

In order to achieve the ambitious neighborhood change agendas outlined in the community plans developed during the Planning Phase, it is essential that the RCI capacity-building strategy reach beyond the lead CBOs to enable other local partners to play credible lead and supporting roles in refining and implementing the community plans. Hence, increasing the capacities of other neighborhood-based organizations to respond to the needs of children and families is also an essential task of the Capacity Building Phase. Below, we summarize the progress that can be observed on this task by the end of 1996:

- **Capacity-building initiatives that engage other neighborhood organizations and local partners remain a high priority for all the sites; however, during the last 15 months these initiatives have progressed rather slowly.** Many of the RCI plans include the creation of significant initiatives that focus on strengthening existing community-based organizations (e.g., WCDC's Neighborhood Toolbox), or creating opportunities for larger-scale resident leadership development (e.g., DSNI's leadership development institute). These initiatives and numerous others like them across the sites have been languishing. Although part of the problem rests in the continuing difficulties the RCI sites are having in spreading their energies across too many priorities, part also rests with the challenges they are facing in managing the process of new program development. Some of these program development challenges involve limited prior experience in program planning, including systematically investigating new areas, effectively engaging organizations with established expertise as partners, and creating small pilot projects to test out and learn from practical experiences. The

evaluation team believes that AECF may need to take a stronger lead in this area during the next year.

- **Toward the last half of 1996 several of the sites had successfully arranged with other CBOs for organizational development and/or technical capacity-building.** Examples include: DSNI's joint funding with the Bird Street Community Center for a consultant to identify a site for a new community center; WCDC's funding to selected partners – including support to DECC for a housing campaign and a feasibility study, and for organizational development coaching to Friends of Parkside; and MHCDO's support of six community organizations through a mini-grant/loan fund (\$1,000-3,000). More such activity is expected to get underway in 1997 (e.g., organizational assessments of at least some of the prospective collaborators with NEWSED in the Patch demonstration in Denver).

Table 2: RCI Resources Allocated and Expended to Other CBOs in 1996

	Total Allocated	Total Expended
DSNI	\$55,940	\$63,515
GS	\$164,932	\$73,403
MHCDO	\$20,000	\$20,853
NEWSED	\$131,800	\$122,500
WCDC	\$95,000	\$55,000

- **With the exception of NEWSED and potentially Germantown, still only a modest amount of the available RCI dollars has flowed to partner organizations in each RCI community.** As *Table 2* above indicates, each site has allocated and expended some RCI support to other neighborhood CBOs during 1996:
 - DSNI spent in total \$63,515: \$43,390 on its Community Centers Collaborative for staffing and a site feasibility consultant; \$11,875 to Part of the Solution, a voter registration organization; \$8,000 to the Coalition Against the Asphalt Plant; and \$250 to the Roberto Clemente Little League.
 - Germantown Settlement allocated \$164,932 in 1996 for several community-based activities and organizations. The largest of these was \$19,250 allocated to each of their five sector-based neighborhood organizations through a proposal development process. Since these groups had little experience responding to proposals, and the community governance council — the GCCB Board — was new to the role of “funder,” most of this did not get spent until the first quarter of 1997. In addition to the sector funding, \$25,795 was spent on the GCCB Board’s development, events and staffing. In addition, \$12,500 was used by the Pickett School in support of its community school programming.

- MHCDO used \$20,853 of its RCI money for funding outside organizations. These include a series of mini-grants and loans: \$1,000 to the Deanwood Youth Program; a \$995 grant and a \$1,000 loan to Marshall Heights Drill Team and Marching Band; a \$2,250 loan to African Heritage as a bridge loan for support of student salaries; a \$3,000 loan to Just Us Productions for a bridge loan to carry out their summer program; a \$945 mini-grant to Sign of the Times to restore a mural; a \$1,663 mini-grant to Teen Life Choices for snacks for an afterschool program; and \$10,000 was allocated to Individual Development Accounts for college scholarships. This money was not spent during this time period.
- NEWSED/PODER made significant operating support grants to four community organizations with whom it expects to collaborate in its human services delivery system initiative, and several smaller grants to other collaborators. The actual distribution was as follows: \$25,000 each to four primary partners in the human services collaborative -- GANAS, Adolescent Counseling Exchange, Denver Area Youth Services, and Denver Inner City Parish; \$1,590 to the Latino Series; \$4,200 to the Chicano Humanities and Arts Council; \$4,200 to El Centro Su Teatro; \$4,200 to the Latino Education Coalition; \$4,200 to DCRA; and \$4,200 to the Santa Fe Redevelopment Corporation.
- WCDC made contributions totalling \$55,000 to DECC for the Housing Advocacy Campaign and the Real Estate Development Intermediary feasibility study. Also, \$40,000 was allocated to Friends of Parkside for organizational development coaching and the development of a community center.
- **Only some of the RCI money used to support other neighborhood-based CBOs was directed toward capacity-building tasks.** For example, DSNI provided support for staff and a consultant for the Community Center Collaboratives. Also, several of the sites expended money as good faith gestures to build partnerships with prospective local collaborators — for example, the GS used funds for its sector-based RFP process and NEWSED provided substantial funding to its core collaborators who are expected to join it in a neighborhood-based human services delivery demonstration. However, it is difficult to argue that the resources expended have been employed with a clearly articulated capacity-building strategy in mind.
- **During the first year of capacity building, the sites' experiences confirm that the process of allocating money to external organizations for capacity-building functions was politically difficult.** As a highly political decision, this difficulty seems to be in part caused by the immaturity of the governance councils. They have limited abilities to prioritize without excluding other players, and in some cases, their financial responsibilities are still unclear. The CBOs' own inexperience with targeting resources and players for program development, and thereby guiding the process, is also a factor that made decisions about resources difficult. In addition, each of the CBOs still struggles with clearly defining what capacity building is and with managing its own budget in an environment that continues to be uncertain.

Empowerment and Resident Participation

From its inception, RCI has rested on an assumption that comprehensive community change cannot occur unless the strategies that are pursued truly respond to the needs of residents. To be effective, such strategies require active resident involvement and leadership. Therefore, the Capacity-Building Phase should support intensive efforts at each RCI site to build the skills of community residents so they can play more meaningful roles in community revitalization efforts. To some degree, RCI has been successful over the past 15 months in building on the plans and principle of resident involvement that were articulated during the Planning Phase.

- **Resident engagement continues to be a focus for all of the sites.** Building off the initial momentum that developed during the Planning Phase, the sites have continued to keep residents involved in their RCI activities. This has occurred primarily through the governance councils, its sub-committees and other ad hoc area- or project-focused committees. Examples are DSNI's Residents' Community Center Advisory Committee, and NEWSSED's continuing engagement of the South Lincoln Residents Council (a large public housing complex housing many of the area's lower-income residents).
- **In addition to the above activities, the RCI sites have sponsored a broad variety of forums and events that help inform residents about key quality of life issues.** Examples of these have included: Education Summits, Welfare Reform Forums, and Know Your Candidate Speakers Events. RCI sites report consistently strong resident turnout, but note also that these activities require substantial continuing investments of time and energy.
- **Leadership development and skill-building for residents continue to be a high priority for all of the sites, but progress has been slow in establishing new programs.** As in other areas of the site's plans, this area has languished as staff time and attention have been focused on competing priorities. Toward the end of the year, the Foundation appropriately determined to take the lead in formalizing a TA approach that will increase the focus across the sites on this priority.

Developing an Effective Neighborhood-Based Human Service Delivery System for Children and Youth

Several of the sites had experience in human services for children and youth. However, their RCI plans indicated that each of the communities would have to dramatically expand their current capacities. For those CBOs without any human service experience, new knowledge bases and talent would be required. All the CBOs would also have to become more skilled in meeting the challenges of working with larger systems to enable programming and agencies to be more responsive to the particular needs and cultures of the RCI communities. In addition, all the communities identified the need for new infrastructure through the development and support of recreational and cultural assets. Below is a summary of the progress made by the RCI sites in support of this task.

- **Although at the early stages of development and capacity building, several initiatives for children and youth show interesting potential provided they are well-supported.** Among these are the parent-organization aspect of a major city-wide education reform effort in Detroit; the development of a youth leadership initiative and a similar parent-driven education reform effort in Roxbury/North Dorchester; an integrated human services collaborative in La Alma/Lincoln Park; and the devolution of services provided by the city's Human Service Department to a community-based organization in Washington.
- **Despite these early developments, the sites are struggling with building their substantive knowledge and skills in this broad and complex area.** Each of the CBOs has taken on significant new programmatic challenges in this arena. In most cases, progress during 1996 was slow and in some cases, progress can only be described as stalled. Few of the sites have brought in new talent to lead program development in these areas, and the sites have exhibited a great reluctance to hire and work with expert consultants on their own. Some prospective local partners who could bring additional expertise to an area have not been involved or, if they have been involved, have not provided the level of substantive leadership needed. And in some sites it is increasingly evident that some of the collaborators identified early in the Planning Phase may not have been the strongest ones to team with in advancing RCI's goals. It appears that the existing generalist staff in the lead CBOs are extremely cautious about moving too quickly into human service areas which they know are difficult and in which they have very little experience. The only successful example of focused, strategic capacity-building in this area is GS's work in managed care — they have aggressively pursued a plan and have hired a consultant to explore the possibilities of GS becoming a health care provider.
- **To help accelerate the sites' learning in this area, AECF should be prepared to provide more leadership through site-specific technical assistance in the next year.** The evaluation team concurs with the program staff that more leadership from the Foundation will be needed to support the development of at least some programs that respond to the priorities and opportunities now evident across the sites. Providing additional substantive overviews of the state of the art and successful models, together with more formalized TA on a site-specific basis, will not only pick up the pace of program development but also increase its quality and better prepare the sites for program implementation during the Demonstration Phase.

Increasing Public and Private Investment Streams to Maximize Capital Investments

To accomplish the complex and ambitious goals of the five RCI plans, and to enable the five communities to build a broader base of financial support over the longer term, the sites will have to increase their already significant skills in identifying and tapping into new sources of public and private investment. Leveraging RCI dollars to attract new money for the lead CBOs' programs is one dimension of this challenge. But a second dimension — building the capacity of the new governance structures to become active in making

resource allocation decisions within the RCI communities — is of equal or greater importance. As RCI's local intermediaries, the CBOs will need to extend their focus beyond their own organizations as they work with their governance councils and other partners to identify and raise new resources that support new partnerships among local collaborators. At this time the assessment is only able to offer the following observations concerning the site's use of RCI dollars as a tool for leveraging additional investment in their communities:

The initial data request to the sites in preparation for this year's assessment report included a worksheet which called for each lead CBO to provide an account of the non-RCI dollars raised or otherwise leveraged as of December 31, 1996 for: 1) RCI activities to be carried out by the lead CBOs, and 2) RCI activities to be carried out by other CBOs participating in local initiatives and partnerships that support RCI goals. Not all the sites were successful in providing a complete response to the first part of the request and only one was successful in responding to the second part.

The sites' difficulties in responding leads the assessment team to observe that the lead CBOs are not yet thinking of the RCI dollars as an investment that can and should be leveraged. It is also evident that the lead CBOs may not be fully aware of the range of resources that are currently flowing into RCI-related programs in their communities and that they do not yet have access to the information they would need to fully determine changes in resource flows over time as a result of RCI's influences locally. For the lead CBOs to more fully embrace the RCI goal of influencing the key public and private investment streams affecting their communities, they will have to build their own "macro-level" understanding of the range and scale of those investments and the key ways in which they may be influenced. Similarly, for the lead CBOs and governance councils to take a more strategic approach to how RCI resources are used to fund programs consistent with their RCI plans, they will need to move toward a more investment-oriented approach to capacity-building and program development.

The groundwork for this way of thinking has not been fully laid within RCI. Moreover, the now established patterns of RCI funding and resource use by the lead CBOs, and the still limited capacity of the governance councils to make difficult resource allocation decisions, will make the move toward a more investment-oriented approach difficult within the current capacity-building phase. This is a significant issue with large implications for how the Initiative is managed, particularly in the transition from the Capacity-Building to the final Implementation/Demonstration Phase. It should be a topic of discussion at an upcoming meeting with RCI program staff and TA team members and subsequently with the sites at a cross-site conference.

Developing Housing and Infrastructure

The development of housing, commercial facilities, parks and playgrounds, and other neighborhood infrastructure are priorities in all five RCI communities. Each of the lead CBOs and their communities had some experience with this work prior to RCI. However, DSNI's, NEWSED's and WCDC's community plans targeted either housing, commercial or open space development as high priorities. The broader community-building impacts associated with the successful implementation of these and other physical development

projects are significant within the overall RCI strategy. During the last 15 months, the three above sites made measurable progress in advancing these agendas by initiating early project work and by making preliminary explorations on how to address specific needs and achieve plan objectives.

- **The range of projects emerging is diverse.** The sites have clearly identified a group of very promising physical development projects with varying degrees of difficulty and prospects for successful completion. Examples of these projects include:
 - RCI resources have covered WCDC staff to assist in the development of a real estate development intermediary for the Eastside of Detroit.
 - Also in Detroit, WCDC used \$35,000 of RCI money to support the Housing Advocacy Campaign and \$20,000 to the Real Estate Development Institute to conduct a housing conditions survey which will provide groundwork for the development of a full housing strategy.
 - Also in Detroit, RCI supported staff for the preliminary exploration of a Vacant Land Reclamation Project.
 - In Boston, RCI supported staff for the development of a proposal to HUD for the development of up to 200 new units of housing for the DSNI Triangle.
 - In Denver, RCI resources are being used for staff support and technical assistance for predevelopment activities for a low-income housing project of 12 rental units.
 - GS has targeted housing and commercial development and this year has made a commitment to pursue this work with funding from the Targeted Neighborhood Initiative, which is being funded by FUND/Pew Charitable Trusts. GGHDC and GS will be working together in this new four-year program to improve major portions of the area immediately surrounding Freedom Plaza/Elder Place. The program will involve a series of physical and economic development, open space beautification and recreation projects coordinated with concentrated social services.
 - In DC, MHCDO has been meeting with the District's public housing receiver about the total redevelopment of the Fort Dupont property, and presented a formal proposal to buy the property and redevelop the site for lower density housing, including units for ownership by moderate income families. MHCDO is also talking with the receiver about rehabilitating other properties in Ward Seven.
 - Also in DC, MHCDO is deeply involved in the redevelopment of Greenway, a HUD-owned, troubled multi-family apartment site. MHCDO and its private development partner made proposals to HUD for reusing the site and were expecting action by late in 1997.
- **Moving forward with several of these projects will entail substantial financial investment, particularly at the predevelopment stage.** In several projects additional predevelopment support may be needed to bring them promptly to the stage

where the needed financing can be secured from other public and private sources. The scale of seed capital investments needed to begin implementing these and possibly other physical infrastructure projects among the five sites may make it worthwhile to explore the need for an Initiative-wide seed capital investment strategy which could involve AECF and one or more other partners. The need for and feasibility of such an approach should be explored by RCI program staff.

5. AECF's Role in Guiding and Managing RCI During the Capacity-Building Phase

Against the backdrop of an internal reorganization, the Foundation also endeavored during the last 15 months to enhance RCI's management and staffing, better coordinate and strengthen the TA approach, and provide more consistent and effective guidance to the sites. Also important was the Foundation's emphasis on working with the sites to develop a greater sense of shared accountability for the progress of the Initiative. Below we summarize key assessment observations about how the Foundation managed the Capacity Building Phase during its initial 15 months.

- **The consolidation of RCI program staffing into two near full-time positions — an Initiative Manager and a Program Associate — has created more consistent communications and increased accountability across RCI.** Moving toward one senior “point person” for the program has been an important step forward in the overall management of the Initiative. It has contributed to increasing consistency in communications, and has vested Garland Yates with sufficient authority to lead the Initiative. The Initiative's leadership was less clear prior to this change, and the greater role clarity that now exists is recognized and appreciated by the RCI sites.
- **The Initiative Manager and Program Associate appear to work well as a team, and have together created clear mechanisms for reporting and overall management.** Working together, the Initiative Manager and Program Associate form a credible team that is respected by the sites and members of the technical assistance team. Across the CBOs, the RCI Program Directors value the RCI program staff's opinions and appreciate their attempts during 1996 to provide more clarity and structure in the sites' reporting requirements.
- **During the last 15 months, the AECF leadership team has worked hard to establish good conditions for learning and joint responsibility for the Initiative.** During the Planning Phase, the sites came to understand that AECF staff were genuinely concerned with partnering effectively with the sites. However, the Foundation staff appropriately determined that for true learning to take place during Capacity Building the sites and the Foundation had to move beyond their respective “postures” and begin to more seriously discuss difficult issues. The establishment of trust and an attitude of respectful and honest problem-solving have been one of the important successes of the Foundation's management of RCI during 1996.

Also critical to that process has been the role of the national technical assistance team (see below).

- **Although the first round of annual site work plans were not as focused as they might have been, they did provide a basis for conversations between the Foundation and the sites about progress and accountability during the year.** The RCI site workplans prepared for 1996 were generally quite broad and the budgets that accompanied them were not closely tied to specific workplan projects and activities. Nonetheless, they served as the jointly agreed-upon contract between the Foundation and each site about what could be expected for 1996. Also important, they provided a common point of reference for jointly assessing progress for the Foundation, TA providers and evaluation team.
- **To help the sites build stronger capacity in new programmatic areas, it will be important for AECF to become somewhat more directive in the remainder of the Capacity-Building period in several areas seen as central to the Initiative -- for example, youth development, education reform, leadership development, and documentation and communication.** The central challenge for AECF in taking greater leadership in these or other selected areas will be to do so in a manner that is respectful of the sites' particular circumstances and is consistent with the partnership approach that has been built within the Initiative. There are now some established vehicles for exerting leadership, including the national conferences, meetings and on-site technical assistance. But much of the leadership burden will continue to fall on the RCI program staff.

6. RCI's Technical Assistance Strategy

Closely linked with the RCI program staff's role in guiding the initiative has been the overall approach to technical assistance and in particular the evolving role of the national technical assistance team in guiding this critical activity during the first fifteen months of the Capacity-Building Phase.

The formation of a national technical team to provide a more coordinated approach to supporting capacity-building was a result of the discovery by RCI staff and others during the Planning Phase that the delivery of appropriate, high quality and timely technical assistance is both essential to the success of the Initiative and quite difficult. The national TA team approach was intended not necessarily to centralize the provision of technical assistance to the sites but rather to meet two critical needs within the Initiative. One was to provide leadership and coordination in planning and organizing cross-site conferences and meetings intended to plan and review progress in providing needed technical assistance to each of the sites. The second was to assist the sites in identifying technical needs formulating and managing the implementation of technical assistance plans that responded to those needs.

Neighborhood Partners was selected to assemble and coordinate the efforts of the national technical assistance team. As it moved into this role, Neighborhood Partners demonstrated considerable skill in reinforcing the notion of more shared responsibility for this aspect of the Initiative by assuring that the sites had major roles in shaping meeting and conference agendas and played key roles at these events.

- **Engaging Neighborhood Partners to manage and coordinate the TA aspects of the Initiative is generally recognized as a constructive move that is working well.** Neighborhood Partners brought sound technical skill and sensitivity to this difficult task and quickly gained the respect of both the sites and Foundation staff. Strong results from this year's work provide early evidence of the success of this approach: the organization of the meetings and conference, the development of the TA plans for each site, the careful planning and conduct of the evaluation and documentation meeting, and the development of improved communications across AECF, the evaluation team and TA providers. Reports from technical assistants and observations at meetings indicate that communication and coordination among the members of the technical assistance team has increased but still needs to be improved.
- **The Foundation continued its strong emphasis on organizational development for the sites this year, and supported it well with a highly-skilled OD team.** As discussed earlier, AECF's emphasis on organizational development as a key element of capacity building is a sound approach given the variety of pressures now placed on the lead CBOs and the emerging governance councils. Prior to RCI the sites had few other consistent opportunities to address evolving organizational issues. Within RCI, there are continuing challenges on the lead CBOs as a result of internal growth, changing community roles, and new program management demands. The two consultants from the Management Assistance Group (MAG) team have successfully assisted four out of the five organizations in beginning to address critical organizational issues. In three of these four, in-depth organizational work began in earnest during 1996. This activity has been of value to those CBOs and is demonstrating the benefits of an OD investment within the Initiative as a whole.
- **Despite these gains, the evaluation team has observed that the model of supporting national consultants with local OD coaches has not worked as successfully as hoped.** There is a need to rethink this role, and perhaps better define it and differentiate it from the role of the national TA team. Also, we suggest that AECF explore assisting the CBOs with identifying strong local or regional technical assistance talent for the local OD coaching role and other technical consulting needs.
- **Although the sites have been broadly introduced to new program concepts, practice areas, and specialists, still more emphasis needs to be placed on substantive TA for CBOs and their partners to enable them to prepare now to lead demonstrations in the next phase.** Early evidence suggests that the sites, on their own, are having some difficulty building the new substantive capacity they will need to meet the Foundation's expectations for program demonstrations during the final phase of the Initiative. This may be because the sites all have too many priorities — for all the reasons articulated earlier — and have had difficulty in focusing adequately on those program areas in which a demonstration may be appropriate.

This may also be because the sites have been more inclined to react to specific funding requests and have had little opportunity to be more proactive program developers. Finally, they may also be understandably unwilling to commit staff and financial resources to a new program area — e.g., youth programming, without any clear sense of outcomes and opportunities for sustainable funding.

7. Summary Assessment

In this final section, we step back and consider the numerous observations made above — about the assumptions and activities that have now defined the Capacity-Building Phase, the initial progress being made by the sites in the six broad areas examined, and the role that AECF is now playing in guiding the Initiative — from a somewhat broader assessment perspective. We first offer some broad conclusions and about the progress that has been made in strengthening organizational capacity during the initial part of the Capacity-Building Phase. Then we point to the need for an increased emphasis on strengthening the sites' substantive program development capacities in preparation for the transition into the final RCI Implementation Phase.

Progress in Building Organizational Capacity to Undertake RCI

- The focus over RCI's initial three years on strengthening the capacity of the lead CBOs has better positioned most of them to take on the challenges of comprehensive community-building. All of the reporting organizations have grown significantly since the inception of RCI and have confronted the need to expand and integrate new staff at several organizational levels. For three of the lead CBOs (DSNI, GS and NEWSSED) organizational development assistance provided by RCI is proving invaluable in strengthening the CBOs' abilities to address critical issues of growth, management and organizational leadership. Two of the CBOs (MHCDO and WCDC) have not yet taken full advantage of RCI-supported OD assistance but can be expected to continue to experience organizational stresses as they advance the Initiative in their communities. Although the focus of technical assistance will likely shift to new substantive areas during the last two years of Capacity-Building, organizational development assistance will continue to be needed to refine organizational structures and staffing patterns. Those CBOs who do not take full advantage of organizational development assistance during this period will likely experience greater internal organizational difficulties, and be less successful programmatically, as they are pressed to expand further and respond to new challenges within RCI.
- **During the last 15 months in particular, significant gains have been made in establishing the right conditions for partnership and learning between AECF and the sites.** The AECF Initiative staff and the TA team have successfully worked with the sites to establish an overall environment in which more candid discussion and problem-solving can occur. Provided this environment of increased trust and open communication can be sustained and strengthened through the remainder of the

Capacity-Building Phase, then RCI's participants can expect to move into the final phase with the additional collective strength needed to confront the variety of tough challenges associated with identifying and proceeding with demonstration/implementation plans and projects.

- **The experience of RCI's initial three years confirms that strong and stable CBO leadership teams are critically important to progress in each site.** At sites where a strong and senior leadership team has emerged, the Initiative receives higher priority within the CBO and plans and programs are moved along more skillfully. Such teams are now evident within DSNI, GS and MHCDO and to a lesser degree within NEWSSED. The lack of a well-developed team in WCDC remains a serious concern that threatens that organization's ability to progress within the Capacity-Building Phase.
- **The RCI sites have made measurable but still limited progress in strengthening their technical capacities to understand and use data and in introducing much-needed information technology.** Most of the sites have begun engaging with Metis Associates and/or other technical consultants to assess data management needs and learn about new technical approaches. The progress made during the first year of Capacity-Building in strengthening data utilization skills was notable and in contrast to the relatively slow pace observed in the Planning Phase. However, to become effective data utilizers, most of the sites will have to make significantly greater investments in hardware and dedicated staffing over the next two years.
- **There has been significant progress in the development of the RCI governance structures in two of the five sites during the initial 15 months of this phase, but the governance structures in the three remaining sites continue to struggle.** In these latter sites, there are needs for basic leadership skills, greater clarity of roles, and operational mechanisms and routines. GS and NEWSSED have made notable progress in the last year in tackling these fundamental issues. After its leadership transition, DSNI's Board (which functions as its RCI governance structure) seemed to languish. WCDC's Steering Committee continues to struggle with its oversight role and the lack of staff support. Although it continues to function as an oversight group for RCI, Marshall Heights' current governance structure is cumbersome and its working committees have made uneven progress; the overall structure requires simplification and streamlining. If these governance structures are to assume greater and more complex responsibilities within RCI, then more concentrated training and assistance will be needed over the next two years.
- **If capacity-building among other CBOs and local partners is to occur during the next two years of this phase, then AECF will need to hold the lead CBOs more accountable, and perhaps provide more dedicated support, to assure that this occurs.** The sites have generally been reluctant to take more responsibility for paying for TA for themselves, but they have been even more reluctant to pay for capacity-building for their partners. If the neighborhood institutional strengthening objectives of the Initiative are to be met, the Foundation will need to systematically help the sites identify other organizations' capacity needs and hold the CBOs accountable for seeing that they get addressed.

- **During the last four years of the Initiative, the sites have built a foundation of knowledge and skills in resident organizing, but the strategies and programs to sustain this activity are not yet in place.** If the sites are to effectively meet their plan objectives and make community empowerment an ongoing aspect of their business, then additional planning and capacity-building is needed to move forward with the initiatives that have been identified — for example, WCDC’s resident tool box and DSNI’s resident development institution.

As these concluding points suggest, there has been marked progress in laying the necessary organizational groundwork with RCI. While greater priority needs to be placed on several areas of organizational capacity which are seen as critical to the overall community-building strategy, AECF and the sites can now point to strong evidence that the overall approach is effective.

The Need to Strengthen Capacity for Program Implementation

Now that the Capacity-Building Phase is well underway, this seems to be an appropriate time to look beyond the organizational capacity-building work in most of the sites and examine more closely what is being accomplished programmatically and what still needs to occur in preparation for RCI’s final Implementation Phase. The assessment team expects to undertake a detailed review during 1997 of the sites’ accomplishments in each program area identified in their plans. In this review process, we will rely on information reported in the 1997 site workplans, the sites’ presentations at site and TA strategy meetings, and data gathered during additional site visits.

In reviewing progress made during 1996 and preparing for a more systematic review at the RCI program and project level, the assessment team has identified several issues concerning how the sites are employing RCI resources, their progress in positioning themselves programmatically (as opposed to organizationally) to prepare for implementation, and the potential of some of their activities to provide a basis for implementation/demonstration activity in the next phase. Following is a list of some of these issues that emerged in our initial review of the sites’ progress:

- **Across the sites there is a pattern of heavy use of RCI dollars to cover the lead organizations’ core staff and operations.** The largest share of RCI dollars available to the sites continues to flow in one way or another to the lead organizations. There is no doubt these dollars have been critical in positioning the lead organizations in their neighborhoods. They have helped stabilize the lead organizations’ core operations, enabled them to add much-needed staff, funded technical assistance and provided generally better conditions for the organizational capacity-building work. But we are concerned that so much of the available RCI funding is still supporting the internal staffing of the lead organizations and that the increase in the flow of dollars to other collaborators is not as evident as we expected. After well over three years, a funding pattern has been established in each site that will be difficult to alter. The lead organizations’ own dependence on this funding, and other partners’ perspectives of the intended purposes of RCI funding, are now critical issues to be addressed in the Initiative.

- **Thus far the sites have used only a limited amount of RCI dollars to advance key priority areas in which other funding is not available.** The correspondence between each site's RCI budget expenditures and the priority areas identified in its RCI plan still seems to be less than might have been expected. In part this is because so much of the effort in each site has focused on general organizational capacity-building, rather than more specific program development. In some instances RCI funds are not needed to advance a program area because other funding is available; but more often RCI funds appear to be filling gaps in staff funding or shoring up existing program support rather than being used strategically to move ahead with new programmatic initiatives with other collaborators.
- **The sites have made very limited progress in narrowing priorities and refining action plans in key priority areas.** Our scan of the lead organizations' current activities indicates that while the sites can all now clearly state their priorities for RCI, the priority areas are too broad and still lack operational detail. The RCI plans have proved very difficult to narrow down. In addition, there has been less "natural attrition" than one might expect over time among the numerous activities launched during the Planning Phase. Hence a great deal of RCI-funded staff time is being spent supporting processes of community meeting and discussion. Although this activity may have other community-building benefits, few of the groups and task forces that continue to meet have successfully set program goals, formulated action plans or laid the groundwork needed to move into implementation/ demonstration. (There are some clear exceptions, including DSNI's progress with its community centers initiative, NEWSSED's housing activities, and Marshall Heights' child welfare initiative.) Unless the pattern changes, the lead CBOs will end up establishing their own priorities for the neighborhood, or the sites will move into implementation without the broad-based support needed to launch significant projects that demonstrate the potential benefits of the RCI approach.
- **The sites have thus far had only limited success in knitting together new program-focused collaborations.** In many instances, priority areas have been identified within which a group of prospective collaborators recognize the potential for designing or launching new program activities, including some potentially significant "system change" experiments. But few of these collaborative efforts have achieved the levels of joint commitment needed to proceed with the detailed design of a new initiative or move forward with its implementation. In some cases there are still critical gaps among the line-up of players whose support and resources will be needed to move ahead with a concrete program. In others, the players are present but the process lacks leadership or focus (e.g., health delivery in Germantown and Marshall Heights, PATCH in Denver, school reform in Detroit). Many of the sites have been inclined to stay with the group of collaborators initially brought together during the planning, and in some instances (e.g., NEWSSED, Germantown Settlement) RCI resources have flowed to prospective collaborators to help secure their continuing involvement in the process. But these various investments of time and dollars are not yet sufficient to yield significant new programs with the potential of being implemented.
- **The sites have made very limited use of RCI dollars as flexible seed money to fund program development in priority areas.** Because so much of the available RCI

dollars are being used to cover essential staff and core operating expenses, and because there are still so many priority areas, there is little potential for using the highly flexible AECF money as venture capital or seed money to support critical program development activities. This seems to be true even in the priority areas which appear to be the most promising candidates for a demonstration in the final phase. Without access to enough of this discretionary seed money, the lead organizations are more limited in their ability to invest in the technical support, small-scale experiments and other start-up activities which are critical to shaping a new program. (Such support would be helpful, for example, in moving the PATCH model forward in Denver, in launching DSNI's resident leadership program, or in getting WCDC's Neighborhood Toolbox up and running.) We also note that some useful program development activity is now being deferred as the CBOs and their collaborators pursue additional fundraising, often in program areas where they are not yet well-positioned. And in these fundraising efforts they have little RCI money available to "put on the table," to increase their competitive advantage in dealing with other prospective program funders or collaborators. To sum up, we do not see much evidence yet that the lead CBOs and their collaborators are thinking strategically and entrepreneurially about investing RCI dollars to support program development.

- **The lead CBOs have thus far not invested heavily in developing internal staff technical capacity to provide substantive program leadership in new program areas.** A final issue concerns how the sites are investing in staff capacity as a strategic tool in strengthening their leadership positions in new program areas. The CBOs are clearly benefitting from the organizational development investments being made during the Capacity-Building Phase, and most of the sites now have in place the generalist-type RCI Managers who can provide the integrative leadership needed to work with the Executive Directors in guiding the Initiative and moving it along. But the lead organizations and their collaborators do not yet have adequate substantive skills to undertake the prospective new program initiatives they are identifying. Without such skills, it is hard to see how they will be able to provide the level of leadership needed bring these new programs together. Few of the sites have actively sought the kind of program-specific talent (through recruitment and hiring or focused training) they will need to move ahead aggressively in key priority areas. (An exception may be Marshall Heights' recent efforts to hire new staff in the child welfare area.) We also do not see that the sites have taken full advantage of the access that RCI provides for acquiring program-specific training and staff development. A critical step for the lead CBOs and their collaborators in preparing for the Demonstration Phase will be an objective and candid assessment of gaps in staff program skills, particularly in those program areas where a significant system change demonstration is the goal.