



# **The Potential for Public-Private Partnerships**

Philanthropic Leaders  
Considering  
Housing as a Platform

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## Executive Summary

This report presents the results of interviews conducted with 32 individuals, mostly leaders of private foundations, to discern their interest in two related topics. The first topic is housing as the location for layering programs and services that can improve the quality of life for individuals and families, identified in HUD's current strategic plan as "housing as a platform." The second topic is public-private funding partnerships with the federal government. Interviews were also conducted with key informants with extensive knowledge of housing research, policy, and practice.

These interviews made it clear that the philosophies, interests, and assumptions informing philanthropic housing investments are diverse with no consensus around the theoretical model for supporting housing as a platform. Both the evolution of community development practice into a more comprehensive approach and the challenges of sustaining resident programs and services within HOPE VI developments influenced funders' opinions of what kinds of housing/service links are possible. In fact, housing as a platform is interpreted in many ways, and each interpretation suggests different grantmaking approaches. The lack of a cohesive evidence base makes confirming or rejecting selected interpretations complicated. These multiple interpretations create the context in which public-private partnerships are being cultivated and will most likely make those partnerships more difficult to establish.

Foundation leaders, while open to exploring opportunities for working better together, harbor considerable skepticism about developing effective public-private partnerships. They indicate limited understanding of public agency constraints and report that collaborative experiences with public agencies have not always been positive. They perceive that public agencies do not respect the breadth of their nonfinancial contributions and are concerned about compromising their independence and having their grantmaking priorities usurped.

Despite these challenges, foundation leaders recognize the benefits of collaborating with public agencies and acknowledge the necessity of governmental involvement. To that end, foundation leaders suggest more limited collaboration efforts focusing on tangible accomplishments. They identify partnerships with local funders that provide opportunities for understanding local communities and local innovations as promising. They understand the fundamentally different roles and responsibilities that public and private funders operate within and recognize the need for building personal relationships to make partnerships effective.

Several specific topics related to HUD's strategic interests were identified as the focus of work that might advance closer relationships between HUD and private foundations. These include developing an innovations pipeline that can spread promising new ideas and practices; pursuing closer working relationships with local foundations; identifying areas of evaluation and research that help build the evidence base for assessing the most promising and cost-effective housing-related investments; and working together to pioneer the use of new technology to improve grantmaking and expand knowledge sharing.

Finally, three case studies are included of working public-private partnerships that illustrate the challenges and the potential of cross-sector collaboration.

## **Introduction**

Social science disciplines generally agree that finding solutions to address the complexities of today's community problems requires multiple stakeholders and diverse sectors working together toward a common goal. Public-private partnerships are one of the more frequently discussed mechanisms for finding common ground (Person et al. 2009). Effective public-private sector collaboration is most often born of necessity. The scale of the issues to be addressed (such as the need for health care or addressing a natural disaster) requires all parties to come together to solve an immediate problem. The effectiveness of these partnerships has been mixed (Buse 2003), and the factors that contribute to the development of a successful

partnership have only recently been studied (Buse and Harmer 2007). Finding ways to effectively partner to address contemporary social concerns remains a substantial focus for many local and national experiments.

In this context, the current president and several departmental leaders within the Obama administration have begun to reach out aggressively to private philanthropy to seek partnerships and funding collaborations. This includes HUD Secretary Donovan and HUD's new strategic plan. Specifically, Goal III: Using Housing as a Platform for Improving Quality of Life (HUD 2010) is proposed as a potentially powerful effort to collaborate around. While most of HUD's work focuses on improvements to places, this goal targets individuals by bringing the places they live together with programs and services that can move them forward, "where different policies central to opportunity can be overlaid." HUD is exploring potential partnerships around this priority, and this interest shaped the focus of this scan and subsequent report. However, given the robust conversation that has emerged throughout the federal agencies and private philanthropic institutions, this inquiry is relevant to an audience wider than HUD. The scan revealed opinions of interest to a broad cross-section of leadership and has important implications for diverse stakeholders who are either engaged in making multisector partnerships and collaborations succeed or who are contemplating them as a strategy to address complex policy challenges.

This report outlines the findings from key informant interviews designed to examine philanthropic leaders' understanding of "housing as a platform for improving quality of life" and to identify strategies for developing effective private foundation and public agency partnerships that can address housing and human needs. This study sought evidence of funding partnerships that understand the intersections among housing, health, education, economic security, and equity. The interview questions focused on

- identifying philanthropic experiences with community development or other projects related to "housing as a platform for improving quality of life";

- examining perceptions, attitudes, and understanding of housing and correlates required for families to live healthy, productive lives;
- documenting the characteristics of future opportunities for collaborative work around “housing as a platform for improving quality of life”; and
- exploring practices of effective partnerships or collaborations.

## **Methods and Description of Subjects**

The study used interviews and case studies. Analysis focused on practices and opportunities for effective partnering with public agencies. Hour-long interviews were conducted with 32 key informants following a prepared interview schedule. Most were telephone interviews. The 32 interviewees were identified in conversations with HUD representatives from the Office of International and Philanthropic Innovation (IPI). They included a cross-section of leadership from private philanthropy, representing national, community, family, and corporate institutions. In addition, several interviewees included experts from research, public policy, and intermediary organizations with a history of working on housing-related policies.

Specific funding interests of the philanthropic interviewees included addressing vulnerable populations, improving health outcomes, stabilizing neighborhoods, and fighting poverty. Many foundations had a long history of investing in housing or housing-related fields; however, two foundations were primarily health care-oriented with less experience in housing investments. One foundation targeted hunger and had made a substantial commitment to end hunger in America. Several individuals had decades of experience developing and funding housing opportunities. Others were relatively new to the housing and urban development fields or focused on a narrow agenda, such as urban transportation systems or healthy homes.

The results of these conversations have been presented in two sections: the first outlines respondents’ understanding of “housing as a platform”; the second highlights the challenges of



and opportunities for public-private partnerships. Quotes taken from interviewees are used throughout the report to illustrate points. However, because of confidentiality agreements, they are not attributed to specific individuals or institutions. Based on interviewee responses, recommendations have been developed related to Goal III in HUD's current strategic plan. These include actions designed to align funding and share an understanding of social outcomes with private partners. In addition, a review of recent literature on public-private partnerships is included.

Three case studies were developed to illustrate public-private partnership work that links housing with a range of programs and services. Although none were undertaken to demonstrate "housing as a platform," they each have relevancy to HUD as it seeks partnership and alignment with private funders. In Pittsburgh, a vibrant children's enrichment program began as a program officer's initiative at the Pittsburgh Foundation. With the creative public leadership of the Allegheny County, Department of Human Services, a strong \$3 million partnership now includes the relevant housing authorities and the residents of public housing. In Minneapolis, the mayor and Hennepin County commissioner launched a partnership to address the needs of the homeless. Now a multisector partnership is working to end homelessness in the city and county by 2016. And in six cities, Health Leads uses teams of college volunteers to fill the "prescriptions" for affordable housing and other support services that doctors prescribe to ensure the long-term health of their poor patients.

### **Interview Results on Housing as a Platform**

Housing was a topic most philanthropic leaders interviewed were eager to discuss. Even when not central to their grantmaking agendas, they linked the national crisis in housing finance and housing markets to many concerns: struggling state and local governments, deepening individual and family instability, and the complexity of the nation's social and economic challenges. With large numbers of working and middle-class communities threatened, some

leaders felt that the crisis had made it hard or impossible for them to focus on poverty and the future of deeply subsidized affordable housing. Others felt that home ownership, once seen as the symbol of national prosperity and individual success, would be reevaluated as a national goal. This reevaluation, they thought, would create the opportunity for a whole new generation of national housing policies—policies that will offer more diverse housing choices.

But as interested as funders are in housing, and as experienced as many are in community development and housing-related fields of practice—both of which enjoy significant public funding—this scan suggests that this housing work has not helped overcome a critical disconnect that persists between the worlds of private philanthropy and public agencies. Among other lessons, this scan revealed relationships very much in flux, as discussed in the next section. A recent publication from the Ford Foundation’s *GrantCraft*, “Working with Government: Guide for Grantmakers,” provides an insightful look at the challenges even highly motivated private foundations face when working with government partners. While some philanthropic leaders remain skeptical that there is fruitful collaboration possible between the two sectors, others are interested in pursuing the promise of joint work, even though doing so presents significant challenges. These challenges include learning how government works and what constraints and opportunities public leaders face; working within a new power dynamic involving politics and public accountability; and questions about the legitimacy of private funding influencing public decisionmaking. However, collaboration is on the rise and the current efforts under way within federal agencies and private foundations can only add to the experience base and understanding of both sectors.

For this report, private foundation interviewees were asked to discuss their perceptions and understanding of “housing as a platform for improving quality of life.” This concept was identified as one of several goals within the new HUD strategic plan, and the focus of ongoing work within HUD to identify and develop partnerships with private philanthropy being done by staff from the Office of International and Philanthropic Innovation (IPI). Responses revealed a broad interpretation of the topic and fell generally within three categories: a diverse set of

approaches to housing as a funding interest, opinions about “housing as a platform” goal, and an expectation that public agency leadership is needed in a time of housing crisis and policy transformation.

**A. Varied and Diverse Pathways to an Interest in Housing**

“We realized that if we cared about the health of poor urban children, we had to be concerned about the quality of their housing.”

The philanthropic community reflects a range of institutional interests, approaches to grantmaking, and leadership styles. In addressing the topic of housing, this diversity was on full display. Foundations identified many and widely divergent reasons for investing in housing, and the types of housing projects funded are equally diverse.

Some leaders found their way to housing following a commitment to the welfare of individuals: helping build individual and family assets, preventing homelessness, and closing gaps in health status and educational achievement. Others approached housing out of an interest in places. They viewed affordable housing options as a key ingredient in community stability and critical to efforts to reform public schools, expand employment opportunities, or broaden transportation choices. As one foundation president commented,

“housing is a broad, systemic issue that will allow for the focused integration of work across environmental, public health, and community revitalization interests.”

Given this diversity, it should not be surprising that housing appears across a broad and disparate spectrum of interests and activities within grantmaking portfolios. This diversity presents both an opportunity and a challenge to anyone interested in having a conversation about housing from any singular, focused perspective.

## **B. Housing as a Platform Invites a Wide Range of Interpretations**

“Housing is a fixed variable, not a delivery system.”

Although no one interviewed identified their work as illustrative of the concept “housing as a platform,” philanthropic leaders bring diverse interpretations to the phrase. These range from viewing housing as a service delivery portal for the homeless, to understanding it as a critical element of a comprehensive community development strategy. Leaders agree that HUD’s core housing mission is designed to serve two populations: those with special needs who will require long-term services, and those who can transition out of subsidized housing with the right supports and opportunities. An understanding of these target populations framed two divergent interpretations of the housing platform idea.

For the special needs population, research supports the cost effectiveness of linking housing opportunities with deep service interventions. However, ongoing subsidy for these services is most often viewed as a government responsibility, and this type of support is usually not the target of philanthropic investments. An example that illustrates foundation support of proven, evidence-based housing programs is Funders Together. This active philanthropic collaboration—composed of just less than 100 foundations and corporations—is organized around a commitment to ending homelessness in America. The work illustrates the roles more likely to be played by private funders vis-à-vis special needs populations: sponsoring research that informs policy and practice; broadly educating the public about the problem’s root causes and solutions; and advocating for the increase of local, state, and national resources devoted to ending homelessness. The coalition works to expand the network of funders who support homeless programs and services that are effective.

At the end of a long conversation about homeless housing programs, one foundation executive said,

“HUD should acknowledge that the “housing as a platform” idea is only one focused part of its mission—a delivery channel for the most vulnerable populations—and not make it out to be more than it is.”

In providing affordable, quality housing for the second target population, those who are encouraged to transition out of subsidized housing, the platform image was filtered through the funders’ experiences with the changing goals of community development/urban revitalization practice and knowledge of HOPE VI experiences across the country. Here housing is viewed as a critically important but not sufficient part of successful community development, and only one of many complex needs experienced by families struggling to move out of poverty. In this context, housing is not a delivery system for services, but a pathway toward positive outcomes: employment, school achievement, family stability, and health. As an underpinning for stable family life, housing is the base upon which individuals can organize themselves to take advantage of opportunities to succeed. However, the foundations interviewed were not aware of strategies to support families consistently and effectively with the appropriate mix of services for “moving to opportunity” and questioned the evidence base supporting such investments.

Several interviewees pointed out that the dismal history of public housing illustrated that wrapping services around a captive audience of poor residents is an old idea that has been discredited as concentrated poverty has become better understood through social science research. Even though home-based services are broadly understood to be effective for special needs populations, there is a consensus that providers are just beginning to understand how to organize ongoing services and supports for those poor families and individuals who are encouraged to move out of majority poor communities. Many leaders see individual and family

problems being dispersed along with the mobile poor population and feel that many people and communities have suffered adverse impacts as a result. Thus, a direct conflict emerges between what is perceived as convenient—using housing as a platform from which to provide services where people live—and the increasingly complex reality and mobility of poor people’s lives.

While several HOPE VI developers have produced projects that successfully link affordable housing residents with programs and services that address the needs of low-income families, the resources—human, institutional, and financial—needed to link families to services are limited, especially given the small profit margins in these affordable housing developments. The needed funding is usually provided locally by foundations and corporations who care about the community and the target populations who live there. These funders are motivated by the opportunity to become part of a comprehensive community development or urban revitalization project. In addition, the necessity of public-private partnerships is clear as local private funders often look to the Departments of Health and Human Services and Labor, as well as to municipal and county governments, to join in funding needed service and enrichment programs.

Another challenge to the “housing as a platform for improving quality of life” concept came from funders of the new generation of comprehensive community development and urban revitalization. They argue that a network of leaders and institutions that understand the unique needs and opportunities of a local place is critical to success and can marshal the relationships and resources needed to move individuals and communities forward. This “platform” of networked leadership and institutions is increasingly viewed as the foundation for planning, resource development, and execution of the necessarily comprehensive development strategies. As one foundation leader stated,

“A ‘platform’ is a collaborative infrastructure for ongoing local engagement, one that can identify strategic opportunities and ... execute projects successfully.”

In this context, goals for addressing needs in housing, schools, transportation choices, health services, and employment merge into comprehensive plans that seek to achieve effective, sustainable community revitalization and poverty alleviation.

There is also a practical aspect to this interpretation of “platforms” as neither large private foundations nor federal agencies prove graceful or effective interveners in chaotic, failing places. Both practitioners and funders view a “platform” as an opportunity to ground the well-intended policies and resources of government and national philanthropy in the reality of place, and to tie those interventions to the accountability of local leadership. As one foundation president commented,

“outsiders to specific places complicated by years of disinvestment and poverty need local networks that understand what it will take to have an impact on the ground.”

Here, local private foundations and civic leaders, committed to the place, can bring leadership, resources, and capital to a partnership that can help larger, outside agencies succeed. (More is said about this in the partnership section of this report.) However, this vision for repositioning the relationship between large national funders—both public and private—and local places will require a complicated rethinking of how local needs are articulated, how program policies are formulated, and how flexibly funding can be used on the ground. Yet this perspective on “platform” may create innovative opportunities for effective public-private partnership work.

### **C. Crisis and the Opportunity for Public Agency Leadership**

Philanthropic leaders view the present as a defining moment in our country's history, a time when challenges to the nation's housing system and to the established approaches to revitalizing communities and cities have never been greater. As foreclosures increase, with devastating community and individual impacts, people recognize that housing is linked to the country's ability to recover from the current financial crisis, and its ability to thrive. Because philanthropic leaders consider this a potentially transformative time for the housing field, they expect strong leadership from the nation's housing department. And because challenges are so great, there is mounting expectation that leaders and institutions at the federal, state, and local levels will work together to ensure housing opportunities for the next generation of families in America. One of the most commonly expressed opinions from both foundation leaders and practitioners was the value of public leadership that has an understanding of the complexity of housing policy and broad financial expertise. Thus, this moment of crisis may open up strategic opportunities for interaction between public agencies and private foundations. However, in a context of seeking collaboration and partnership—arrangements that thrive on shared authority and shared credit—such a strong public leadership position needs to be deftly managed.

#### **Interview Results on Partnerships**

These interviews took place in the context of ongoing conversations between federal agencies and private philanthropy exploring opportunities for funding partnerships and collaborations. A president and several administration leaders who have been intimately involved in private philanthropy during their careers have advanced these conversations. The newly established Office of Social Innovation in the White House and newly staffed positions within federal agencies charged with seeking government-philanthropic engagement are conducting ongoing conversations with foundation executives across the country. This search for partnerships is



complicated in that it is taking place as federal leadership faces both unprecedented challenges and limited financial resources. Almost every individual interviewed had participated in at least one government-sponsored conversation about the potential of public-private partnerships, and those experiences were often referred to during the conversations. It is not possible to know how those experiences influenced these interviews; however, it is clear that philanthropic leaders have thought deeply about these issues and are committed to finding new ways to working together.

Foundation leaders identified several challenges that public leaders will need to address to develop effective partnerships with the private funding community. Three obstacles were often discussed: a gap in organizational understanding between private foundations and public agencies, widespread skepticism about the possibilities of an effective partnership with governmental agencies, and difficulties in developing clearly defined goals and responsibilities given the diversity of thought, interests, and approaches concerning “housing as a platform.” Addressing these issues will be necessary before productive working relationships can be developed. In addition, interviewees suggested some practical approaches to public-private partnerships.

#### **A. Private Funders and Public Agencies Do Not Understand Each Other**

When asked to collaborate with public agencies, funders expressed concern about maintaining their independence and were dismissive of attempts to work with them that focus entirely on providing financial resources. They perceived that public agencies did not respect nor fully understand their unique perspective on problems and places. As several foundation staff stated,

“Feds have figured out a way to suck up foundation dollars doing [the] feds’ agenda.”

“They want us to top off their programs.”

“They are lining up to tell us how to spend our money.”

“*[Public agencies]* have a naïve and distorted sense of what philanthropy is...”

As these statements indicate, foundation staff voiced concern that public agencies lack appreciation for the breadth of experiences and depth of knowledge they can contribute to solving social problems. Foundations are more than their money, and efforts to work with them that too quickly focus on funding will fail.

On the other hand, most interviewees agreed that foundation staff members lack an in-depth understanding of the complex environment that public agencies must operate within and admit to limited knowledge about the challenges government leaders face given the realities of the national political environment. The following quotes were common:

“We have a lack of understanding of [public] operating styles and constraints.”

“The federal government is never a partner. They have a different set of realities that private institutions do not have. Their world is shaped by things that impede partnership.”

“Philanthropy has as much to learn as government, but operates with far less accountability....”

Finding ways to bridge this gap in understanding and cultivating feasible opportunities to work together may be more difficult than it sounds, as funders’ experiences of working with specific government agencies often have reinforced their perceptions.

## **B. Funders Report Skepticism about Working with Public Agencies**

As noted previously, the new GrantCraft publication on working with government illustrates that there is a general unease within philanthropy about working with the public sector. Housing is often a local issue and many of funders support place-based projects that interface with regional staff of federal agencies. Accordingly, most funders derive their perceptions of federal government agencies from working with regional offices. These interactions are mixed and uneven across regions and sometimes within regions. While funders recognize that current, national housing leadership is focusing on working more productively with local projects and funders, most feel that regional staff cannot or do not want to make strong partnerships happen. HUD reforms are addressing many of these perceptions; however, those changes have not been fully realized, so the results are not reflected in these funders' perceptions. As one national funder stated,

“[There is] uneven capacity in regional ... offices. They lack the creativity, vision, and imagination. They put up roadblocks, are marked with corruption, or are just incompetent.

Many have been dispirited by continuous cutbacks. “

Furthermore, many foundations report an absence of federal agency involvement in their grant-supported housing investments. Most housing projects in their portfolios were conceived and implemented without active federal participation. This leaves federal agencies without working knowledge of local innovations and reinforces skepticism about effectively working together.

Many foundations also do not have experience with public agencies and are unsure of how to work with them. Foundation staff turnover and limited knowledge of finance makes ongoing partnerships difficult. As one foundation leader stated,

“When I interact with government agencies it feels like nobody is in charge. I want to speak consistently to one person who can get what I need done done.”

### **C. Diversity Demands Clarity and Focus**

“The path to alignment is to clarify the results desired, and then back into what needs to be done to get those results. Only then can specific roles be assigned to various partners—public agencies, private philanthropy, nonprofits.”

The current conversations about partnership are taking place among potential partners with vastly different institutional needs and leadership interests. Foundation leaders acknowledge that their organizations can be more flexible than public agencies, can take more risk, and are well resourced to “show what works.” They also acknowledge that government’s role is to figure out how to scale up and institutionalize change. Although these different strengths should lead to productive working relationships, the diverse perspectives behind these roles—if not understood—can pose serious challenges to working productively together. As one foundation president commented,

“The idea that government and philanthropy have complementary strengths is an attractive organizing principle, but in reality there are huge obstacles to overcome....”

These obstacles include, at least, a lack of understanding, different types of accountability and operating structures, and limited staff roles and responsibilities. Foundations are diverse entities and funders are quick to point out that they do not speak with a single voice. Even like-minded funders within the same organization can have different opinions. No single approach

or “cookie cutter” strategy will result in improved and productive working relationships between public agencies and the foundation community.

In the context of several stark differences between government and philanthropy, and even within the field of philanthropy, productive partnerships will emerge when they are focused on clear targets. Problems must be defined to invite engagement among individuals and institutions with divergent perspectives and motivations. Many funders suggested that achieving this focus and clarity was the first important step toward working together:

“What is the problem we are trying to solve and who brings what to the process? This is the first conversation to have in creating partnerships...”

“Private looks arbitrary and public looks cumbersome. We need to figure out what we want to accomplish.”

This need for focus and clarity was expressed in different ways throughout the interviews: Everyone wanted “clarity about the role of foundations and the federal government,” “a process with a governance structure that is disciplined and transparent.” They acknowledged that there has been “a lot of conversation,” but asked, “Where does it go?” They noted “relationships and ideas are central to funding partnerships.” In partnerships that funders deemed successful, people trusted each other, shared openly, and were excited by multiple approaches to problem solving.

The most successful partnerships operated from an agreed-upon problem and demonstrated a willingness to learn from each other. As suggested earlier, this is confounded when working with housing and housing as a platform is open to wide interpretation and multiple avenues of problem definition. Under these conditions, partnerships are more challenging.

Despite these challenges, foundations are aware of the potential benefits and necessity of working more closely together and recognize the importance of aligning agendas. Philanthropy understands that nothing big or long-lasting can happen without government involvement, leadership, and resources. As was simply stated, “you don’t accomplish anything without government support.” This understanding motivates them to look for opportunities and pose suggestions for working better together.

#### **D. Funders Suggest Alternatives to Complex National Partnerships**

Partnerships are hard to develop and difficult to operate successfully. Trusting relationships require time and attention to build. They require clearly identified roles and responsibilities for all involved and collectively agreed-upon priorities. This type of collaboration is viewed as a “tall order” and maybe outside of the realm of feasible options in the current environment.

Several foundations suggest, “maybe getting to know each other is enough” and caution, “It is a fools game to coordinate with philanthropy. Just work with whom you can.” Many contend that it is “better to watch where government interests emerge and look for opportunities for parallel play. Co-contributions and co-conspiracies don’t require partnership.” Especially, “given the short time any single administration is in office, it may not be feasible to work across entrenched federal silos. Finding ways to coordinate several federal funding streams at the local level will work better.”

This focus on local opportunities may offer promising paths to working together. Local and regional foundations report that it is harder for smaller funders to “hold their own” in discussions with federal agencies and particularly difficult for them to “see their role” in collaborating. Yet, as discussed earlier, local funders identify and support local leadership, and they can broker the relationships and marshal the resources critical to moving communities forward. These funders understand their places and bring historical knowledge about what is

feasible in a more nuanced manner than national foundations. Local funders invest in building leadership and institutional capacity so that community interests organize effectively around federal opportunities. “Local foundations live with successes and failures in a different way than national foundations,” and may require a different approach for developing opportunities for productively working together.

Funders, large and small, want public agencies to understand how federal policies affect local neighborhoods. They see themselves as an important bridge between neighborhoods and federal government. Local initiatives are being organized and launched every day. Federal agencies are often perceived as unaware of these activities, or worse, as a barrier to these efforts. Finding ways to provide resources that are more flexible would be appreciated; however, just knowing that federal officials understand how their policies are affecting local efforts is a start.

Finding ways to build on the successes of local innovation, creating mechanisms for capturing the contribution of local knowledge, and cultivating a willingness to share and learn from each other provide the most promising avenues for beginning to create effective public-private collaborations at a local level. The next two sections of this report offer specific and conceptual ideas for how to move forward to make these partnerships a reality.

### **Cultivating Opportunities for Moving Forward**

During these interviews, several specific topics emerged related to HUD’s strategic interests that might help advance closer working relationships between public agencies and private foundations. These topic areas expose opportunities for formal partnerships, and they might even lead to private money going into HUD’s signature housing priorities. For now, the conversation promises to create a pathway to closer working relationships among the sectors

and deeper understanding of each other's strengths and limitations. These topics help define the often-called "gray space" between the realm of big governmental agencies and the world of private foundations—space that might be successfully cultivated as steps toward larger public-private ventures. The following highlights four specific areas of mutual interest, taken from the interviews, around which this joint work can be structured.

1. **Capturing Innovation:** There is an impressive amount of innovation related to HUD's areas of interest going on around the country. The agency's staff knows about some of this, but most of it takes place far from Washington, D.C., and operates under the radar of a public sector needing scale and national political expediency. Much of this innovation is being incubated in places with local foundation support. Even if larger impacts are hoped for, most local innovators lack the channels and contacts for getting the attention and accessing the communication channels that would ensure that local innovations reach a broader audience of learners and potential adaptors. Both HUD and private foundations would benefit from the development of an innovations pipeline that efficiently identifies innovative practices, incentivizes sharing of information, provides opportunities for broad discussion and analysis of new practices and ideas, and links true successes to the development of public policy and expenditure of public and private resources. New technology resources provide the appropriate and cost-effective avenue for jointly pursuing and sharing innovative practices.
2. **Bridging National and Local Interests:** Just as local communities are laboratories for innovation, they are—taken together—the source and target of significant private foundation resources. Even though large national foundations are the first to be thought of when the resources and influence of private philanthropy are contemplated, most private foundations are small and committed to improving the places they call home. A glimpse of the effective work going on in community foundations around the country provides a window into the creativeness and effectiveness of this local work. These local public charities offer any partner an opportunity to expand the amount of money available to solve local problems, and a chance to work with locally informed partners



who can help advance HUD goals. Local philanthropic networks also provide HUD other assistance: partners who can help develop local capacity for implementing the agency's priorities; leadership and support in places where innovations can be replicated and evaluated; and broadly informed networks that understand and give voice to HUD priorities. Bridging national and local interests through local philanthropy could also provide HUD and other federal agencies the opportunity to co-invest in specific places together. This would achieve the impacts of aligned interests without the challenge of breaking down the structural barriers to collaboration that all federal agencies face.

3. **Developing Evidence to Support Effective Interventions:** Because most foundations regard their investment capital as limited, they seek evidence of best practices and strive for knowledge that can guide strategic grantmaking choices. HUD also benefits when there is a growing evidence base of what works and what interventions promise cost-efficient results. Research was sighted as a significant opportunity for collaboration between HUD and private funders—if not to trigger joint funding, at least to agree on priority areas of investigation. There was agreement that a more robust evidence base is needed throughout HUD's areas of responsibility, and that a coherent research agenda for housing is lacking. Many respondents mentioned the unanswered questions concerning the relationship between housing and other domains, such as health, land use, education, and public safety.
4. **Practicing New Ways of Doing Business:** One created in the last half of the 19th Century, the other evolved over time in the 20th, neither America's private foundations nor HUD are well positioned to be effective in the new globalized, networked, and technologically paced world. Unlike private companies that have been forced to be at the forefront of institutional and technological changes, these organizations are sometimes inefficient and too often ineffectual. Yet both aspire to have impact on some of the most intractable problems facing our country. With new attention being paid to how new technologies are transforming work, and new writing being done on how they can be adapted to private philanthropy, partnership opportunities may help move both HUD

and motivated private foundations to adopt best practices and work together to pioneer next practices.

### **Actions HUD Can Take to Promote Partnerships**

Despite the government's strong interest in developing funding partnerships with private philanthropy, the interviews conducted for this report indicate that the challenges ahead are significant. Even given recognition of HUD's important mission and the caliber of its current leadership, approaching "housing as a platform" presents both practical and conceptual hurdles to joint funding. These challenges are heightened by skepticism about the time and effort needed to implement effective public-private partnerships. However, throughout the conversations, ideas were offered as to how HUD might approach foundations to encourage closer working relationships, and how the resources of both public and private institutions might become better aligned. Highlights of these ideas, organized under some major challenges and perceived opportunities, include the following:

#### **Building relationships and understanding:**

- Convene foundations with relevant grantees and listen to their investment and practice experiences. Discern what they are learning and the challenges they encounter. Be realistic about what government officials can do to address the concerns these funders and their grantees have and work with them to develop complimentary investment strategies.
- Provide information on the realities of public agency decisionmaking. Clarify what "going to scale" requires. Develop a case study on HOPE VI and Choice Neighborhoods that illustrates the pace of change, or challenges to change, and make it widely available.
- Identify nonprofit organizations working on research, policy, and practice important to

HUD's agenda. Advocate for their work, and for funding support, from key foundations clarifying how their success can translate into public sector policy and national impacts.

- Work with research and policy organizations to convene learning sessions around policy concerns central to HUD's mission. To foster peer-to-peer exchanges, invite foundation staff and grantee leadership, as well as local, state, and federal government officials. Organize by region or topic area.

Encourage diverse participation with clear goals:

- In any area of work for which HUD is seeking private foundation investment, clarify the goals and outcomes that will define success. Work with a broad cross-section of philanthropic players to enlist commitment to the goals and to clarify potential roles for foundations and other key constituencies. Encourage aligned investment as well as co-funding. Keep track of all related work and jointly communicate processes and progress.

Bridging national policy and local interests:

- Work with community foundations and local associations of grantmakers to learn their interests and to communicate HUD objectives. Work to foster deeper understanding of the relationship between federal policy and local and state activity.
- In places where major HUD investments are made, use local experiences as the narrative for communicating federal policy objectives to local and regional constituencies.
- Cultivate staff of HUD regional offices as key outreach personnel on behalf of HUD's overall mission and partnership goals. Provide incentives to encourage a more

“customer focused” agenda in each regional office. Establish protocols to ensure routine feedback from local “customers” and widely communicate within the agency examples of community responsiveness and successful partnership engagement.

#### Finding and harnessing innovation:

- Establish a systematic way to identify and learn from innovation relevant to core HUD programs. Develop a community innovations award and recognition program. Broadly distribute winning innovative ideas and practice and examples of where innovation influences federal policy development.

#### Experimenting with new ways of working:

- Find opportunities to experiment with a “reverse RFP” process in which communities design the framework for funding that reflects local needs and interests—often relevant to more than one federal program or agency. By individually responding to the RFP, federal agencies can avoid current appropriations silos.
- Modernize the grantmaking process using communications technologies, setting new standards of open source data and information sharing. Every proposal becomes a source of information and ideas; every award decision becomes an opportunity to educate and set new standards.

#### Developing the evidence base:

- In response to foundation interests, develop coherent research questions and evaluation strategies relevant to the ongoing work of HUD. Structure opportunities for both large national and smaller local foundations to participate. Set an agenda for developing evidence that documents the links between housing and social outcomes and tests various policy approaches to implementing housing solutions. Again, ensure a range of funding opportunities for joint efforts.

## Case Study 1

Public-Private Partnership: Beverly Jewel Wall Lovelace Fund for Children's Programs (BJWL)

A community-based, family-driven program that provides enriching activities for children residing in public housing and subsidized housing communities throughout Allegheny County, PA.

Partners: The Pittsburgh Foundation  
Allegheny County, Department of Human Services  
Housing Authority of the City of Pittsburgh  
Allegheny County Housing Authority  
Community Residents

### History:

The Beverly Jewel Wall Lovelace Fund for Children's Programs (BJWL) began as an after-school, summer program initiative of the late Ms. Lovelace, a program officer for the Pittsburgh Foundation. Started in 1995, the Fund for Children's Programs was designed in response to the concerns of parents, many of whom were entering the work force for the first time, about the safety of their children. The goals of the program were to provide safe, enriching, and enjoyable activities for children in public and subsidized housing that would be accessible, safe, and founded upon community values and practices. Public housing residents were engaged the creation, development, governance, and implementation of the programs. Resident councils determined the direction of the neighborhood programs, including conducting needs assessments, program planning, and outcome assessment. Residents were hired to work in the programs. By 1997, Ms. Lovelace's innovative idea of children's programming developed into a full-blown collaborative effort among private foundations, public agencies, and the housing communities themselves.

This partnership supported the "Summer Fund," which provided programs to more than 3,500 school-age children, empowered residents in the design and implementation of the programs, and operated in 19 public and subsidized housing communities. The original funders in this expanded 1997 collaboration, managed by the Pittsburgh Foundation, included

- The Pittsburgh Foundation: \$300,000 and program facilitator
- The Housing Authority of the City of Pittsburgh: \$300,000
- Allegheny County's Housing Authority: \$50,000
- Allegheny County Department of Children and Youth Services: \$225,000

Based on the success of the “Summer Fund,” the program was converted into a year-round effort. It was renamed for Ms. Lovelace in 2001 when she died of cancer. It was expanded in scope with sites serving as “portals” to their communities and as magnets for additional programs and services supported by other foundations and organizations. For example, Allegheny County, through the Department of Human Services, built in nutritional supports, such as afterschool food programs and employment and training assistance. In 2004, the Pittsburgh Foundation relinquished its role as administrator of BJWL, and Family Resources—the largest nonprofit child welfare agency in the region—began overseeing program operations.

#### Current Status:

Today, BJWL Children’s Programs is publicly funded at \$3 million, operates year round, and serves approximately 900 children in 18 public and subsidized housing communities in Allegheny County, including the City of Pittsburgh. The program is directed by Family Resources with the participation of residents of the related community housing boards. Private funders continue to add resources for specific activities within the overall initiative, for example, tutoring and cultural enrichment programs.

The goals of the current program are to provide safe activities for children; to reduce the potential for child neglect and abuse; to employ residents and parents and promote the development of supportive environments for children; to empower residents through program development and operation; and to serve as a portal for other organizations to provide related strengthening services to the children, sites, and communities served. Core values that define the program are family preservation, neighborhood stabilization, community capacity-building, recognizing the strength of individuals, and demonstrating potential.

#### Significant Accomplishments:

Evaluations have been conducted which prove that the children’s programs have contributed to a reduction in child abuse and neglect in the public and subsidized housing communities that are targeted—a primary goal of Ms. Lovelace. In addition, the public-private partners consider the partnership’s persistence, continued growth, and financial sustainability important accomplishments.

#### Significant Challenges :

Most of the challenges of BJWL were related to challenges inherent in serving public or subsidized housing populations—challenges exacerbated by the hilly geography of Allegheny County, which isolates communities from each other and from the larger region. In addition, finding public subsidies in the face of limited categorical funding for prevention services was a challenge to public sector leaders. And finally, figuring out how large public agencies can “contract” with private foundations as was done during the first several years of BJWL’s operations, presented challenges to the managers of the foundations. Ultimately new leadership of the Pittsburgh Foundation requested that the operation and management of the BJWL Fund be moved to Family Services.

#### Relevant Lessons:

- Private initiative (foundation staff) was met with public risk-taking and innovation (county agency leadership).
- All key participants are locally based, know each other, and share a deep concern for the local public/subsidized housing population of children.
- Public funding is provided for the overall operation of the services; private funds are added to supplement programs.
- By seeing the fund as a “portal,” participants with different but complimentary motivations are encouraged to participate in supporting and expanding children’s activities.
- Evaluation and measurement is provided to justify and direct continuing financial support.
- High levels of community participation balance private and government involvement and help ensure ongoing program success.

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## Case Study 2

Public-Private Partnership:	Heading Home Hennepin Currie Avenue Housing Partnership Hennepin County Office to End Homelessness Minneapolis, MN  A 10-year community plan to end homelessness in Hennepin County and Minneapolis by 2016.
Partners:	Complete list of partners can be found at <a href="http://www.headinghomehennepin.org">http://www.headinghomehennepin.org</a> .

### History:

A 70-member Commission to End Homelessness was convened in the summer of 2006. They were given 100 days and charged with developing a plan to end homelessness, looking at both local and national best practices, in ten years. The plan was approved by City Council and County Board in winter, 2006 and plan implementation began in January 2007.

The Minneapolis mayor and a Hennepin County commissioner established the initial initiative. They wanted to join what was becoming a national movement to end homelessness. A set of principles was developed to guide the work. They included all people have a right to safe, decent, affordable housing; shelter is not housing; homelessness costs more than housing; data are important; prevention is the best solution; and ending homelessness is attainable. Six major goal areas were established in the areas of prevention, outreach, housing, services, systems change, and increasing peoples' ability to support themselves through increased incomes. The goals are to end homelessness for individuals and families, improve community livability, and use taxpayer dollars more wisely.

The original commission was a diverse group of federal, state, and local governments; business leaders; nonprofits; faith communities; and philanthropic members. They brought multiple perspectives to the commission and represented every sector of the community. They had broad community support and got input from both local and national experts on homelessness. The inclusion of the downtown business association was critical to the plan's development and rapid approval.

### Current Status:

The original 70 member commission was disbanded after the plan was developed; however, an ongoing multisector partnership was convened to implement the plan. This partnership currently operates with over 125 different nonprofit, private sector, and public sector participants. They are committed to working together until the plan is fully implemented and they have ended homelessness in Minneapolis and Hennepin County.



Different sectors have been engaged in the partnership for different reasons. Nonprofits see this as a way to work together more effectively and potentially gain more support for their work. Downtown businesses want to make downtown Minneapolis more livable, thereby attracting more people to the downtown area. Faith communities see this as a moral issue, while foundations see this as an opportunity to effect change. Likewise, foundations see the partnership as the most effective way to implement the strategies and to improve outcomes. Government knows they cannot solve homelessness alone and sees this as a way to increase private sector engagement. All the partners admit to wanting to improve people's lives as a primary reason for being involved.

#### Significant Accomplishments:

There have been many significant accomplishments, starting with the development of a ten-year plan with shared ownership for implementing over 50 concrete action steps and 30 specific recommendations. Specifically, Hennepin County and Minneapolis have more than doubled prevention efforts. They have revamped the Hennepin County foster care system to ensure stability when children exit foster care to become independent adults. They have hired Discharge Planning Coordinators to work with hospitals and jails to ensure better discharge planning. A new street outreach system is collaborating with police departments to target housing and support services to the most vulnerable people involved in the criminal justice system. The outreach team has housed over 200 people since October 2007 and has helped reduce arrests of people who are homeless by 14 percent. Nearly 2,000 new housing opportunities have been created for low-income households. These early efforts have been focused on long-term homelessness and the highest users of public systems. This has resulted in significant cost savings.

Another public-private partnership with the Downtown Congregations to End Homelessness and the Downtown Business Council has raised almost \$400,000 to start a housing program to end homelessness for 150 long-term homeless individuals with disabilities. Several creative outreach and housing programs targeting special populations of refugees, youth aging out of care, young mothers, and seniors have been developed.

The partnership has held nine Project Homeless Connect events, engaging over 5,000 volunteers from the community and serving several thousand people experiencing homelessness. Two new one-stop service centers (Opportunity Centers) where providers co-locate multiple services for single adults and youth are planned to open in November 2010.

People in Minnesota describe themselves as leaders who are used to working together. They hear of problems and they look for solutions without spending time focusing on who is to blame. People are working together more than ever before. The partnership has received strong leadership from community members and paid social service staff. The planning process and the implementation effort has provided a vision of what an end result could look like and

given individuals and organizations opportunities to participate in making that vision real.

#### Significant Challenges:

The economic downturn has significantly increased the need for housing services. A new population of individuals and families that have lost their jobs has resulted in increased homelessness for those that have never been homeless before. These individuals and families are often less familiar with social services and can need more assistance in negotiating the service system.

Finding and maintaining the resources to continue implementing the plan, given these new demands, presents a challenge, but has not stopped progress.

#### Relevant Lessons:

- Elected officials initiated the planning effort with clear direction and short timelines that kept the work focused and moving forward.
- Significant plan ownership, a diverse set of recommendations, and clear action steps empowered participants to engage in implementing the parts of the plan that worked best for their organization and constituency. This is not a centralized, top-down implementation effort. It operates more like a network with multiple nodes.
- Data are important in both planning and tracking progress.
- A clear vision (ending homelessness, not just providing shelter) serves to rally partners with different perspectives.
- All private entities can join the collaboration focusing on specific interests relevant to the larger whole, allowing for diverse resources to come to the table.

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### Case Study 3

**Public/Private Partnership:**

Health Leads—A national public health project that mobilizes undergraduate college volunteers, in partnership with public and private health providers, to connect low-income patients with the basic resources—such as food, housing, and heating assistance—that they need to be healthy.

**Partners:**

Health Leads—Public and private hospitals and health clinics. Major colleges and universities in clinic locations: Baltimore, Boston, Chicago, New York, Providence, and Washington, D.C.

**History:**

Health Leads (formerly Project Health) was co-founded in 1996 by Rebecca Onie, a law student at Harvard, and Dr. Barry Zuckerman at Boston Medical Center's pediatric department. The goal of the initiative was to develop a model of an effective, affordable, clinic-based infrastructure that could be deployed to increase the capacity of doctors to ensure the health of low-income patients. The project operates through "help desks" that are set up in waiting rooms of hospitals and clinics, and staffed by university student volunteers. Doctors write "prescriptions" for nonmedical needs that have significant impact on the ability of low-income individuals and families to achieve and maintain good health—affordable housing, food, transportation, child care, employment training—and volunteers do the work of linking patient needs to available resources. Working with patients, they assess eligibility for various programs, help establish individual and family service priorities, design and implement action plans, and follow up with patients to ensure that their needs are being met and to identify and troubleshoot problems. Students receive extensive training and are required to contribute six hours of clinic service plus any needed client follow-up time every week. The use of student volunteers addresses one of the goals of Health Leads, to educate future leaders about the gaps in the current health care system and what is needed to address the long-term health needs of poor people in a sustainable manner. The organization's work received both widespread legitimacy and visibility when its co-founder, Rebecca Onie, won a MacArthur Fellowship in 2009.

**Current Status:**

Last year, Health Leads trained and deployed 660 college volunteers to connect nearly 6,000 low-income patients and their families to the resources they need to be healthy. Health Leads works in 22 pediatric and prenatal clinics, newborn nurseries, emergency rooms, and community health centers in six cities across the United States. Funding to implement the services come from blended public and private sources, with the participating hospitals contributing a significant percentage of the funds needed. An \$11 million capital campaign is being implemented to secure the resources required to implement a four-year strategic plan. This plan seeks to quadruple the population of patients served and move the organization toward its ultimate goal of transforming the delivery of health services at the community level.

Undergraduate volunteers, the majority of whom are pre-med students, are proving to be tenacious and effective advocates for low-income patients, able to work often complex and intransigent public systems on behalf of individuals and families.

#### Significant Accomplishments:

Both health care professionals and patients are being changed by the services that Health Leads provides: medical professionals with access to the services now rely on their health-promoting benefits; and patients who are assisted by the volunteers are beginning to demand more comprehensive health services from the hospitals and clinics they rely upon. In 2010, 83 percent of Health Leads graduates entered jobs or graduate study in the fields of health and poverty, with 94 percent of them reporting that Health Leads had a “high” or “very high” impact on their postgraduate plans. The success of the project creates significant opportunities for national expansion into other cities, and into other health and educational institutions.

#### Significant Challenges :

The lack of quality information, and unclear strategies for accessing what resources do exist, remains one of the most significant challenges for Health Leads and its volunteers. Specifically, addressing the need for affordable housing, often identified as one of the most urgent needs of patients, is proving to be one of the most challenging problems to resolve. It illustrates the difficulty often faced by efforts to assist poor individuals and families: there is inadequate information about what affordable housing is available in any given community, and equally inadequate information about how poor people can access this resource when it is available. Demonstrating their facility with new ways of working and with new technologies that young volunteers bring to this challenge, the student volunteers often resort to Craig’s List and time spent walking neighborhoods as the most reliable strategies for finding the housing resources that patients and their families need. Their resourcefulness, however, does not mask the challenge of developing and disseminating quality information that both service providers and volunteers can rely upon. In planning for the future, Health Leads will face new challenges as the organization intends to expand its volunteer base to include community residents in the role of “help desk” advocates and implementers.

#### Relevant Lessons:

- There are innovative strategies being developed to improve the efficacy of “gateways” that connect to poor families and individuals to services they need to advance the quality of their lives: health, housing, etc.
- Through multisector partnerships that include well-trained volunteers, the funds already existing in large public systems can be engineered to provide more efficient and effective outcomes.
- Creating multisector partnerships, developing the infrastructure and the capacity to implement innovative programs, and improving the quality of available information are critical requirements for project success.

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## **Literature Review: Public-Private Partnerships**

There is a consensus that the complexities of today's community concerns require the efforts of diverse stakeholders and multiple sectors working together toward a common goal. Public-private partnerships are a frequently discussed mechanism for finding that common ground (Reich 2002). The effectiveness of these partnerships has been mixed (Buse 2003), and the factors that contribute to the development of a successful partnership have only recently been studied (Buse and Harmer 2006).

This review examines the best practices of effective public-private partnerships from the health field and from the information technology arena. Effective public-private sector collaboration is most often born of necessity. The scale of the issues to be addressed (such as the need for health care or addressing a natural disaster) require all parties to come together to solve an immediate problem. These partnerships usually develop without any formal contract.

It is clear from the literature that defining partnership is not so easy. According to Webster, a partner is "one of two or more persons contractually associated as joint principals in business." This implies that partnerships are not dictated by need, but often by the contract itself. The Canadian Council for Public-Private Partnerships defines these partnerships as "a cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risk, and rewards." Public-private partnerships can take various forms and include both collaborative (not legally binding) and contractual (legally binding) agreements.

Collaborative partnerships are nonlegal working relationships that often occur to meet a common objective or goal. These partnerships are often used to exchange knowledge or collectively leverage resources for a specific goal.

According to most sources, a foundation of trust is critical to building a public-private partnership (Buse 2003). The key to the collaborative partnership is trust in the relationship; confidence that builds as all parties are encouraged to explore emerging trends, new ideas, and a better understanding of the challenges and issues faced by one another—usually through forums, panel discussions, and interactive sessions that encourage discussions and generate ideas to promote opportunities for both the public and the private sector to enhance efficiencies and effectiveness.

In many cases, the development of a document that identifies the values and principles necessary to promote public-private partnerships can facilitate effective collaboration. According to NASCIO (2006), addressing the desired behavior of both public and private sector partners so that a collaborative environment exists for everyone is critical.

Note that organizations that come into partnerships with preordained solutions will inhibit the genuine exchange required for trust to develop.

### **Best Practices of Successful Partnerships**

Regardless of effective practices, a successful partnership between the public and private sectors depends on all the people involved with the project. Likewise, problematic public-private partnerships usually result from challenges with working relationships. Lack of executive and project leadership, deficiencies in planning and defined processes, and insurmountable communication issues can create barriers to collaboration.

*A Commitment from Executive Leadership.* A successful partnership can result only if there is commitment from “the top” of both the public and private sector organizations working together. The most senior public official must be willing to be actively involved in supporting public-private partnerships and take an aggressive leadership role in the development of each collaborative venture.

Similarly, one of the more “unhealthy” habits for effective partnership, according to Buse et al., are inadequate incentives for staff. Partnership is about engaging in external relationships and investing in them a variety of commitments. This can create tensions and competing loyalties for staff. Partnerships require all participants to span organizational boundaries, and to devote extraordinary time and energy to partnership activities. In Buse’s research, contributions to partnerships are often not explicitly recognized and rewarded in the parent organization, which often undermines partnership effectiveness. Partnership relationships need to be carefully managed. First, staff rules and incentives need to be established to facilitate staff involvement in external partnerships. Second, tasks, roles, and expectations must be clarified so partners are aware and tolerant of staff efforts.

Staff commitments to external partners can carry risks and costs and without strong internal support, partnerships are not sustainable. One way to reduce this risk is to articulate all roles, responsibilities, and expectations of all partners in a framework document.

*A Well-Crafted Plan and Well-Defined Management Processes.* The second critical practice for successful public-private partnerships is a well-crafted plan or framework document. Everyone must know what is expected of the partnership beforehand. A carefully developed plan will substantially increase the probability of the partnership’s success (Buse 2006). The plan should take the form of an extensive, detailed contract, clearly describing the responsibilities of the public and private partners. It should address respective responsibilities and include a clearly defined method of dispute resolution.

Most partnership evaluations comment on the lack of specific partner roles and responsibilities (Buse and Harmer 2006). Explicitly defined roles are required to optimize partnership performance (McKinsey 2005). Poor specificity can lead to misunderstandings that undermine collective working arrangements.

Memoranda of Understanding (MOU) have often been used to address this problem, but in a recent survey, MOUs were found to have limited impact (McKinsey 2005). In another review of partnerships, few were found to have articulated objectives in a specific and measurable manner (Buse 2004a). This makes performance monitoring problematic in that what the partnership is expected to achieve is not clear. Effective public-private partnerships require strategic and operational business plans with measurable outputs and outcomes, and clearly defined roles for all partners. These plans need to be developed at the beginning of the partnership and regularly reviewed. It is critical that all partners agree on key management processes early in the formation of the relationship.

Another unhealthy governance practice includes procedures for partner selection, the management of conflicts of interest, and performance auditing. Lax attitudes toward scrutiny are often justified because participating in a partnership for a public good is a proxy measure of good corporate behavior. A transparent selection process and defined conflict of interest agreements can help.

*Effective Communication with All.* Open and effective communications are critical to create trust, and trust is critical to partnership functioning. Communicating openly and candidly with all stakeholders minimizes potential resistance to establishing a partnership. The partnership needs to develop an effective communication plan with accurate and consistent messages. Partnerships must develop, organize, and prioritize their formal messages and informal communication with a focused and deliberate approach.

Timely access to relevant information about decisionmaking processes and substantive information are essential to holding an organization accountable and to enabling participants to contribute to deliberations.

*Adequate Resources.* One unhealthy habit of partnerships is the lack of resources needed to carry out planned activities or to finance the consultation required for partnerships to be effective. Partners often collectively establish inspiring aims, ambitious operational plans, and corresponding budgets. The difference between the budgeted expenditures partners approve and the financial commitments those same partners make can be considerable.

Partnerships involve intensive consultation and interaction, which are expensive activities. The McKinsey study deemed that keeping costs down could severely limit the partnership effectiveness.



Foundation staff participating in partnerships are often not at liberty to make financial commitments to collective initiatives.

*The Right Opportunity and the Right Partners.* Not every situation is ripe for a true partnership. Complex, challenging, or uncertain situations or settings where there is a sense of public responsibility may be the most appropriate opportunities for partnerships. When forming a public-private partnership, all parties should set reasonable expectations. Candidates' previous partnership experience can be an important factor in identifying the right partner.

### **Funder Collaboratives:**

In a 2002 survey of over 40 funder collaborations, Hamilton documented four distinct funding models: information exchange/co-learning, strategic alignment, pooled funds, and joint venture. In information exchange/co-learning, funders exchange information to improve grantmaking, and learn about and discuss relevant issues. These exchanges tend to be regional and have the goal of developing a common frame of understanding. In strategic alignment, funders continue to make grants independently but align resources around a shared strategy to address a defined issue. These partnerships bring diverse groups of public and private funders together to develop common solutions. An example is the Boston After-School partnership created in 2001 with a five-year plan to improve afterschool programming in Boston by increasing the number of children served and opportunities available and to develop a sustainable, stable funding stream for these programs. With pooled funds, groups of funders decide to contribute funds to a funding pool, which is used to make new grants with an agreed-upon purpose. Pooled funds can bring coherence and efficiency to fragmented, duplicative, or insufficient grantmaking. In a joint venture, a collaboration of funders will create a new entity to address new, cross-sector, or neglected problems. Partners' initial financial and management contributions are likely to be significant.

Many collaborations are hybrids or will evolve from one type of model to another.

Another survey (Heroux 2003) of funding collaboration identified 10 characteristics common to successful funder collaborations, which are similar to those of successful public-private partnerships:

- *Leadership.* Leaders of a collaborative must have skills in creating a group process to ensure the ownership and commitment of equal partners to a shared vision. In the start-up phase, "the more complex the cooperation, the more essential it is that at least one person have a vision of what might be possible and be willing to provide leadership to

get started.”

- *Clarity of Purpose and Goals.* Each partner must have a clear understanding of his or her own goals for the collaboration, and there needs to be a clear core concept for the partnership.
- *Common Values and Accountability.* Personal relationships among funders enhance accountability within a partnership. Time to develop trust among partners is essential during the early stages of a collaborative effort.
- *Balance of Power and Autonomy.* Partners of all sizes must have equal say in any genuine partnership, and all partners must believe they have something to gain by participating.
- *Authority at the Table.* Partners in a collaboration should bring awareness and candor about their respective self-interests and their authority to make decisions on behalf of their organization.
- *Careful Idea Development/Planning Process.* A well-articulated agenda with a specific mission and defined outcomes.
- *Clarity and Agreement on Structure and Governance.* Collaborations must resolve how the collaborative will work.
- *Adequate Organizational Support.* Partners need to be clear about their responsibilities and follow through with them.
- *Proper Recognition and Credit.* Successful collaborations generally credit no one in particular, or all partners, in external communications. All partners receive equal credit regardless of their relative resources.
- *A Time Frame, Benchmarks, and a Plan for the Future.*

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