

The San Francisco Foundation

CASE STUDY

The San Francisco Foundation's work to protect, preserve and produce affordable housing in the Bay area

STRATEGIC INSIGHT

Use all the tools in the tool belt

ABOUT THE FOUNDATION

The San Francisco Foundation (SFF) is a community foundation set up in 1948 with the goal to inspire and facilitate philanthropic giving in the San Francisco Bay area. It has \$US 1.3 billion dollars in assets under management. In recent years, SFF has sharpened focus and has a 'north star' of racial and economic inclusion. The Bay region is the second most diverse region in America with 58% of the population being people of colour.

SFF has three pathways to equity - people, place and power. Central to approach is recognition that solutions must be authentically connected to community. Housing affordability is an area where all parts of SFF strategy interrelate.

'The San Francisco Foundation was established by a group of civic leaders who were visionary and social justice oriented in nature ... the work we are doing around racial equity and economic inclusion builds on that legacy and is responsive to the social justice issue of our day. We have vast amounts of opportunity and wealth here in the Bay area and access to that can be limited to people based on race, economic status and geography.' Fred Blackwell, San Francisco Foundation



APPROACH AND TOOLS

Housing is an issue of regional inequity in the Bay area. Housing prices and rents have increased at a rate that far exceeds income levels, and people on the lower end of the ladder end up paying a higher proportion of their income on housing, 'the further you go down the economic ladder, the more extreme burden you see.' The most visible manifestation of this becomes homelessness – a critical issue in the Bay area. SFF made the decision to deploy all the tools in the tool belt in support of affordable housing.

Impact tools include

- Advocacy for better rent controls, to bring more public dollars to the table and to mobilise voices
- Loans to cities and non-profits for affordable housing developments through their impact investment programme, 'the endowment can be a facilitator of outcomes around racial equity.' Loans include pre-development costs, site acquisition and housing development
- Civic leadership and social capital - Fred Blackwell SFF CEO Co-Chairs the regional group that comes up with policy oriented housing solutions
- Relationships to convene and bring others to the table, including the unusual suspects. For example in 2019 Bay Area community and faith leaders, housing advocates, business leaders, and philanthropists launched a regional public-private housing partnership that will build one of the country's largest investment funds to address the regional affordable housing crisis
- The Partnership for the Bay's Future aims to advance the region's future by solving its interconnected challenges of housing, transportation, and economic opportunity. It was launched with the support of the San Francisco Foundation, the Chan Zuckerberg Initiative, the Ford Foundation, Local Initiatives Support Corporation (LISC), Facebook, Genentech, Kaiser Permanente, the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation and Silicon Valley Community Foundation

- Grants supporting non-profit housing development and to groups that are advocating for better policy, 'production and protection of vulnerable residents'
- Grants are made via an open grants cycle and proactive shoulder tapping. SFF has largely migrated to an approach that provides full multiyear support and larger grants (previously it was the 'peanut butter' approach)

'Our story is one that started with focus on racial and economic inclusion and quickly got us to the point we realised housing was an important part of the equation. So much so we thought it was important for us to deploy all our tools in the tool belt ... To us system change means that really government is operating in a way that supports our objectives around equity. So that is why we are funding advocacy, that is why we use our own voice around advocacy as well so we can see legislative changes, policy changes that support what we are trying to achieve.' Fred Blackwell, San Francisco Foundation

ACHIEVEMENTS AND MILESTONES

Success is measured in terms of the number of affordable housing units produced and the number of people able to stay in their homes and not be displaced. Through deploying all the tools SFF has been able to achieve much more than would have been feasible through grants alone. For example, an investment of USD\$500,000 in advocacy for (including outreach to voters) helped create a climate that led to a \$2 billion investment in affordable housing.

'This more strategic approach has enabled us to achieve impact at a level or scale that would have not been possible with just grant making alone. Here in the Bay area one unit of affordable housing can cost north of \$500,000. For that same level of investment in policy and advocacy, we have been able to see and encourage probably \$2 billion of public dollars in affordable housing – by investing in polling, investing in advocacy at the local level, putting initiatives on the ballot and using bonds for affordable housing production as well.'

Affordable housing is an issue in the San Francisco Bay area.



LEARNINGS AND ADVICE

SFF shared what it is learning including that solutions must be connected to community; the importance of advocacy and policy change; that tackling housing is an expensive endeavour and it takes time to achieve change and build political will; and being optimistic is key to success, 'We are glass-half-full kinds of folk, we continue to work hard and are optimistic.'

Advice to others included

- Be bold enough to make a difference, yet plausible enough to be achievable
- Tackling these issues and achieving impact requires philanthropy to move beyond the traditional role of grant maker
- Engage the community being served in shaping strategy
- Share learnings and successes

WHAT'S NEXT FOR SFF

SFF is in a dynamic partnership with the public and private sector to advance bold policy solutions; is raising substantial money to invest in the affordable housing system; and raising awareness regarding the importance of dealing with the issue at scale in the region.

'Tackling the issues that we are trying to tackle and being effective at achieving impact and really making a difference – it totally requires us to move beyond our role as a grant maker and use every tool that we have ... there needs to be more receptiveness and comfort with taking risks and being bold with our actions. Finding ways for folks to share what they are learning and achieving. At a global level of scale, creating those kinds of venues. And making sure that as we move forward as a group, that we incorporate the wisdom and expertise of the communities that we help positively in the process of designing strategy and decision making.'