

## Setting the Stage for Transformational Change

By Robert Hohler, Melville Charitable Trust



Photo by Kevin Kovaleski, www.kevinkovaleski.com

We almost lost a great American city. Books have been and will be written about the flooding of New Orleans in 2005. Looking back over the past year, surely the most astonishing aspect will be how long it took to fund and begin a viable rebuilding process. With hundreds of thousands of New Orleanians still scattered across America, diaspora has become a fact of life. And, of course, the problem of homelessness and lack of rootedness is felt intensely—Houston alone still harbors more than 100,000 New Orleanians. The worst is yet to come, as the housing assistance for these families and individuals will inevitably run out.

Despite the devastation, New Orleans is steadily coming back from limbo, and many parts of it—the downtown business district in particular—are up and running again. This is due in no small measure to a

remarkably resilient core of women and men in the city's public and private sector who refused to let the city die. Another bright spot has been the way funders—local and national—are playing an effective partnership role in the city's recovery.

A great deal of the activity funded by philanthropy—the technical assistance, the consultant planning, the research and evaluation, the predevelopment money—has flowed through the Greater New Orleans

Community Foundation, ably led by Ben Johnson. This foundation has been the pivot point for community engagement and involvement; among many other things, it has created a Community Support Foundation to manage a development effort that is matching technical assistance teams with resident groups to rebuild their communities. The hope is that this intense citizen engagement at the grassroots level, informed by a sense of urgency, will deliver fair, equitable, smart, and coherent neighborhood development.

For all of our philanthropic partners, a transcendent issue is that these rebuilding plans assure affordability and accessibility for those at every income level. We're particularly concerned about the most vulnerable families and individuals—those most in need of assistance to become self-sufficient. *(continued on page 14)*

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# New Orleans and the Philanthropic Challenge

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To address that particular need, the Melville Charitable Trust brought onto the scene an experienced team to develop a strategic plan for supportive housing. Since last October, the Technical Assistance Collaborative has been working with state and local officials to explain how supportive housing has worked in other areas of the country and urging them to include a substantial number of such housing units in their plans. This effort was bolstered by the National Alliance to End Homelessness, another Melville Charitable Trust grantee partner, which lobbied hard to ensure that supportive housing provisions were included in congressional block grant legislation.

In addition, the entire effort received significant support from the Partnership to End Long Term Homelessness (PELTH), a collaboration of funders that includes the Robert Wood Johnson Foundation, Rockefeller Foundation, Conrad Hilton Foundation, Fannie Mae, and Fannie Mae Foundation. Each of these funders has made significant grants to specific initiatives in Louisiana and New Orleans. In fact, Rockefeller has assigned a staff person, Carey Shea, to work out of the Greater New Orleans Community Foundation office and to coordinate community development and investment efforts with nonprofits, such as Local Initiatives Support Corporation and Enterprise Community Partners.

One result of these efforts and collaboration was the inclusion in the block grant of a specific provision for 3,000 units of supportive housing. There are billions of dollars now available for rebuilding and supportive housing through this block grant and an accelerated low-income housing tax credit program. This would not have been possible without the seamless and effective advocacy of the groups mentioned.

If all of the supportive housing units are built, the overall impact could significantly improve and even transform the service delivery systems in the state. It can have an especially positive impact on Louisiana's struggling behavioral health system. Sadly, there is no guarantee that the units will be built.

In most communities, nonprofit developers create the housing units, usually relying on a multilayered and complex system of financing. Providers, such as local behavioral health agencies, then provide social services to residents of these units. That's the way it would work in Los Angeles or New York. But this is New Orleans.

When the area was hit by Hurricanes Katrina and Rita and the city was evacuated, provider organizations were forced to close down. They are still struggling to get back to normal. But even before the hurricanes, few had the capacity to take on the challenges of serving an expanding supportive housing network. In addition, the nonprofit developer community was far from robust, and two years earlier, LISC had closed its New Orleans office out of frustration with the way business was (or wasn't) done. LISC is back, but the limited developer capacity remains a pressing problem.

So who will build these units and who will provide the support services to ensure vulnerable residents can live independently and productively? Funders like the MacArthur Foundation are making significant investments—predevelopment funding, Program Related Investments, grants, and technical assistance—to strengthen the nonprofit developers in New Orleans and create a nonprofit developer network. Local leaders like Una Anderson of the New Orleans Neighborhood Development Collaborative and Kathy LaBorde of Gulf Coast Housing Partnership are collaborating with local and national funders on this effort.

But, given the urgency of the issue, our Technical Assistance Collaborative team decided to pursue a parallel strategy. Citing a plan that was successfully implemented in North Carolina, the collaborative proposed (and the Louisiana Recovery Authority adopted) a requirement that every for-profit developer plan must set aside 5 percent to 15 percent of its units for supportive housing. Since these units will be scattered throughout apartment complexes, they will require the services of mobile provider teams. The next challenge to funders is to help develop and build out provider capacity to deliver services in new ways. People like Gay LeBlanc—who heads Jefferson Parish Mental Health, one of the state's leaders in this field—will help coordinate funder investment in building out this capacity.

## What is supportive housing?

Supportive housing is a successful, cost-effective combination of affordable housing with services that help people live more stable, productive lives. Permanent supportive housing works well for people who face the most complex challenges—individuals and families who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance use, mental illness, and HIV/AIDS.

For more information, visit the Corporation for Supportive Housing ([www.csh.org](http://www.csh.org)) or the Partnership to End Long Term Homelessness ([www.EndLongTermHomelessness.org](http://www.EndLongTermHomelessness.org)).

Not surprisingly, we have found that what works for supportive housing can be modified and applied to a wide variety of affordable housing models. (Supportive housing is, after all, just a particular form of service-

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enriched affordable housing.) Creating the foundation for an effective supportive housing system strengthens developer and provider capacity across the board. It's no accident that as we've seen supportive housing gain traction across the country, there has been a concomitant surge of interest in providing resident services in many other affordable housing settings. If access to services works for the most vulnerable, why stop there? If empowerment is in a foundation's mission statement, then providing opportunities to individuals and families who could benefit from thoughtful and strategic support and intervention is surely a logical thing to do.

More and more funders are asking not only "What can we do to help?" but also "What can we do to move people along, to really help them become self-reliant?" We've found in many communities that on-site housing services that provide residents with employment and financial counseling, literacy and computer training, and a wide range of educational and social activities strengthen families and build independence. In New Orleans, we have a chance to apply these best practices on a major scale and turn a disastrous experience into a

significant social advance. This is certainly why so many funders have found New Orleans and the Gulf Coast so challenging and compelling.

New Orleans alone needs to build or renovate 100,000 units of affordable housing for those who want to come home. In the process, there are tremendous opportunities here for transformative change—change that holds on to the good in a culture and a community, while making the day-to-day far better for many people than what it was before. Philanthropy, working with the people of New Orleans, can set the table for such change. If you're interested in joining us, please contact one of the sources below:

Greater New Orleans Community Foundation  
[www.gnof.org](http://www.gnof.org)

Partnership to End Long-Term Homelessness  
[www.endinglongtermhomelessness.org](http://www.endinglongtermhomelessness.org)

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