

## THE CHRONICLE OF PHILANTHROPY

### A Calif. Community Fund Moves Beyond Merely Making Grants

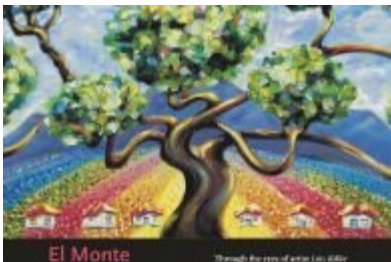


Juan Alaniz/Genesis Productions

An effort to improve life in the suburb of El Monte is part of the California Community Foundation's current work. Says leader Antonia Hernandez, "We have to be out there to solve problems."

By Maureen West

[About the California Community Foundation](#)



Through the eyes of artist Lois Keller

Sculptural olive trees align the streets along Valley Mall, the city's bustling shopping district, and reference the original barrios. Flower and strawberry fields lie in the shade of the San Gabriel Mountains.

When the California Community Foundation celebrated its 75th year in 1990, the Los Angeles Times described it as a low-key, behind-the-scenes organization.

It was known during most of its history as a "typewriter foundation" because it specialized in making small grants to cover basic office equipment or one-time expenses of charities in the Los Angeles metropolitan area.

Today, as its second century approaches, the California Community Foundation, one of the nation's oldest community foundations—and sixth largest with \$1.2-billion in assets—has

made big changes in how it operates. The foundation's leaders are speaking out about important Southern California issues and seeking to rally the region's business, government, and nonprofit leaders to tackle those issues.

That's because money alone does not fix some needs, says Antonia Hernandez, the foundation's chief executive. "We have to be out there to solve problems."

### Expanding Influence

The foundation also has a more expansive view of "community"—spreading its influence well beyond Los Angeles.

Since 2006 the foundation has given \$243-million to programs that serve military veterans nationwide.

To help it figure out how best to assist veterans, the foundation asked the Rand Corporation, a Santa Monica, Calif., think tank with offices around the world, to conduct a study of the most pressing needs facing returning Iraq and Afghanistan veterans.

By underwriting that report, which found that one in five war veterans returns with physical or mental problems, the foundation played an important role in persuading policy makers and other leaders nationwide to give more attention to the health problems facing veterans.

About 5 percent of the foundation's grants go to charities outside the United States, reflecting the interests of Los Angeles's highly diverse population, Ms. Hernandez says. In 2010, for example, it gave \$2.4-million to earthquake efforts in Haiti and Chile.

Still, home is a priority. In 2007 the foundation started a 10-year, \$10-million effort to improve the quality of life for families in El Monte, a low-income suburban community 12 miles east of Los Angeles.

### Not a Traditional Role

In the seven years she has led the foundation, Ms. Hernandez says her main goal has been to reach out to business and government leaders to get them involved in efforts to solve local problems, such as poor schools, a lack of low-cost housing, and the need to plan for earthquakes and other disasters that could strike the Southern California region.

"My job is to understand the complexities of L.A. and respond to its needs," Ms. Hernandez says. "And that job goes beyond funding."

<http://philanthropy.com/article/Calif-Fund-Seeks-to-Become/125858/>

For example, she helped design a new school reporting system that helps Los Angeles administrators and parents use resources more effectively. And Ms. Hernandez was recently asked to lead a committee to increase parental involvement in the Los Angeles Unified School District.

“It’s not a traditional philanthropic role,” she says, “but instead of us just giving six or seven grants, we can urge policy changes that will lead to much larger improvements.”

Steve Gunderson, president of the Council on Foundations in Washington, says Ms. Hernandez and the foundation illustrate how the nation’s oldest community foundations are changing as they move into their second centuries.

“Community foundation leaders of the past were development officers—they raised money,” Mr. Gunderson says. The California Community Foundation, he says, is one of the leaders making the move from “building community assets to building communities.”

That is a necessary shift, Mr. Gunderson says, because many local and state government officials now have trouble working with community leaders and each other because of ideological differences.

“People are looking to the philanthropic sectors to fill the gap, to help bridge the public and private sector. Heads of community foundations provide neutral tables and are often looked to as visionaries,” he says.

### Started by a Banker

Like many community foundations, the California Community Foundation, which was first known as the Los Angeles Community Foundation, was founded by a banker and operated out of his bank’s trust department.

It was created in 1915 by Joseph Sartori, whose banking empire would become the Security Pacific Bank (later merged into his competitor, Bank of America, in 1992). The foundation became independent of its bank in 1980.

Mr. Sartori was following the example of Frederick Goff, a Cleveland banker and trust lawyer who helped start the Cleveland Foundation in 1914. The new California foundation provided a convenience for Mr. Sartori’s wealthy clients, who were given a one-stop center for banking,

estate planning, and tax planning (the nation's first peacetime income tax was but 20 years old).

Mr. Sartori plowed his own time and money into his new foundation, adding more than \$1-million into an unrestricted fund upon his death in 1946.

After decades of slow but steady growth, the foundation began to aggressively pursue donor-advised funds in the 1980s. Such funds, which have been a mainstay of many community foundations, allow donors to set up a sort of charity checking account and distribute money over time.

In 1986 the California Community Foundation realized it wanted to do more than just write checks to cover charity overhead costs. After a fire destroyed the Los Angeles Central Library, it started a "Save the Books Fund," contributing \$150,000 and many volunteers. In 1988 the foundation helped create the AIDS Project, a million-dollar program to provide education and care to runaways as well as people who didn't speak English or were illiterate.

### Looking to Immigrants

These days, Ms. Hernandez is looking far beyond bequests from the traditional country-club set and is trying to attract wealthy Armenian, Indian, Iranian, Korean, and Latino business owners into the circle of givers.

"One of the biggest challenges going forward is bringing in the new immigrant communities into institutional philanthropy, and it's a long process," she says.

Fifty percent of the residents of Los Angeles County are either foreign-born or children of immigrants. The foundation is seeing some early successes, particularly with Korean business owners.

"We have a board member who told us that we needed to first get the approval of elders in that community," Ms. Hernandez says.

The board hosted a small reception for four of them, carefully following cultural courtesies. As a result, one of the men moved a scholarship program from his bank to the community foundation. Others are expected to follow.

The multicultural approach is not window dressing. Ms. Hernandez joined the foundation as chief executive in 2004 after leading the Mexican American Legal Defense and Education

Fund, and the foundation has diversified its staff and governing board, not only to tap into the philanthropy of minorities but also to better understand the community's needs.

Ramon Cortines, superintendent of the Los Angeles Unified School District, likes the direction Ms. Hernandez has pursued at the foundation.

“At one time, community foundations were cookie jars—places where you went when you needed a buck. They aren't that anymore,” Mr. Cortines says. “They see themselves as partners in community endeavors.”

But he cautions that foundations have to be on guard in tight economic times so they don't become just cookie jars again. “There are so many needs in California because of budget cuts,” Mr. Cortines says. “They need to be strategic to make sure they are good stewards of donors' money.”

#### KEYS TO SUCCESS

**Emphasizing advocacy:** The foundation no longer sees itself just as a grant maker but also as a solver of community problems.

**Redefining community:** Instead of making grants only to programs that directly benefit Los Angeles, it also offers donors a chance to support programs that tackle national and global issues.

**Promoting inclusion:** The fund has made diversity a focus in its grants, fund raising, and board and staff composition.

## About the California Community Foundation



Joseph Sartori

Year founded: 1915

Founder: Joseph Sartori, a banker who started the institution that eventually became Bank of America

Headquarters: Los Angeles

Why it was founded: Mr. Sartori wanted to give his bank's customers an easy way to give to charitable organizations so he set up the community foundation in his bank's trust department. It became an independent charity in 1980.

What it does today: Makes grants primarily to nonprofits in Los Angeles County, encourages residents to get involved in civic causes, and works with key business and government leaders to solve community problems