California’s future depends on the success of the communities of color that comprise a majority of our population. Two necessary components of a vibrant and diverse democracy are effective community-based organizations and diverse leadership throughout California’s nonprofit sector.

**Assumptions for Effectiveness**
- Partnership with key intermediaries with strong networks & understanding of communities
- Support of small community organizations as the key to reaching and benefiting low-income people and communities of color
- A learning culture that is asset-oriented
- A context to address the intersection of race, class, immigration, etc. in capacity building

**Goals**
- Increase the sustainability of a group of about 60 small, community-based organizations serving low-income people and communities of color in the San Francisco Bay Area, Central Coast, and San Joaquin Valley.
- Promote private foundations’ understanding of and support for organizations working with low-income people and communities of color.

**Strategies**

**Capacity Building Strategies**
- Partnership with intermediary organizations to support community grantees
  - Multi-year general operating support
  - Selection based on a common definition of readiness
  - Capacity-building funds for organizations’ own choice and priorities
  - Mentoring and coaching to pursue plan for organizational development
- High value, relevant, free, and accessible technical assistance through a “menu” of choices

**Funder-level Collaboration**
- Promote a sense of common purpose for capacity building through peer connections and social capital
- Ongoing learning, sharing, and improvement through evaluation of CLP
- Collaborative management of the project by Packard, Irvine and Hewlett Foundations

**Outcomes**

**Community Organization Outcomes**

**Resilient Leadership**
- Unified sense of purpose and trust across Board, staff, and volunteers
- Organizational leaders demonstrate capacity and community relationships to effectively lead serve low-income communities and communities of color
- Infrastructure that fosters shared leadership and ongoing leadership development

**Adaptive Capacity**
- Clear strategic goals and a plan to achieve those goals
- Ability to internally and externally mobilize people, organizations, and networks to tackle tough challenges and thrive in the face of uncertainty
- Flexibility to identify and align with changing external/economic contexts
- Willingness to be engage in self-reflection and ability to use evaluation to continually improve performance

**Financial Stability**
- Financial literacy across board and staff that allows for collective stewardship of the organization’s financial health
- Appropriate financial systems and processes to reliably track and report information
- Data-driven approach to financial management and decision-making
- Clear, effective and sustainable business model in place

**Funder and Initiative Outcomes**
- Greater understanding by large funders of issues facing smaller organizations & low-income communities and communities of color
- Greater knowledge of the role of cultural relevance and responsiveness in effective grantmaking & methods of capacity-building
- Increased capacity to support innovative organizational strategies that produce transformative results for communities of color.

**Ultimate Outcome:** Greater capacity of organizations to reach, engage and serve low-income communities and communities of color based on greater cultural competency and knowledge of effective strategies.