

Collaborative Leadership:

Partnerships between Regional Development Organizations and Community Foundations



What are RDOs?

Multi-jurisdictional regional development organizations (RDOs) are public-based entities that are focused on fostering regional strategies, partnerships, and solutions. These organizations work to solve areawide issues, including addressing the fundamental building blocks needed to sustain resilient and competitive communities and economies. Regional development organizations pursue their mission and goals by fostering intergovernmental collaboration among federal, state, and local partners. They deliver and manage various federal and state programs, with an increased focus on leveraging resources, engaging the private and non-profit sectors, and ensuring public accountability, transparency and results. Based on state and local needs, these entities often play a key role in community and economic development strategies, housing, emergency management and homeland security preparedness, Geographic Information System (GIS) data analysis and information management, business development finance, technology and telecommunications, transportation planning and public transportation services, and workforce development.

As organizations typically formed under state law or gubernatorial executive order, RDOs are often known locally by many different names, such as: councils of governments, economic development districts, local development districts, planning and development districts, regional councils, regional development commissions, regional planning commissions and other types of multi-jurisdictional development entities around the country.



What are community foundations?

Community foundations serve defined geographic areas by making grants within a variety of issue areas and providing leadership in their communities. They receive donations from many different donors, who may choose their gifts' focus areas. Community foundations are governed by a board that represents the community.¹ According to the Community Foundations National Standards Board:

A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, nonsectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors to carry out their charitable interests and for the broad-based charitable interest of and for the benefit of residents of a defined geographic area.²

Source: NADO.



Source: Floyd County Economic Development, <http://www.nrvivability.org/>.

Regional Strategies, Partnerships, Solutions

¹ Molinaro, John, "Community Philanthropy in Appalachia: The current and potential development role and impact of community foundations in Appalachia" (Presentation, Consultation on Community Philanthropy in Appalachia, Appalachian Regional Commission, March 13, 2012).

² "List of Standards," Community Foundations National Standards Board, <http://www.cfstandards.org/standards>, (June 11, 2012).

Introduction

In an era of tightening government budgets, regional development organizations (RDOs) need to think creatively about developing and funding initiatives that improve communities' quality of life. One way that communities have diversified their strategies is by working with community foundations, sometimes in dynamic partnerships. Through these partnerships, both RDOs and foundations have leveraged community and external funds, accessed knowledge and skills beyond their own areas of expertise, broadened their networks, and aligned work programs to best meet community needs.

This report explores the strategies and rewards behind eight partnerships between community foundations and RDOs. The East Central Iowa Council of Governments (ECICOG) worked with a community foundation to recapitalize a small business assistance revolving loan fund, and the organizations have continued to collaborate on regional initiatives. Similarly, the East Alabama Regional Planning and Development Commission (EARPDC) began an active

partnership with the Community Foundation of Northeast Alabama through a successful public health program. Central Minnesota's Region Five Development Commission (R5DC) has worked with several community foundations, after establishing a strong partnership with the Initiative Foundation. Virginia's New River Valley Planning District Commission (NRVPDC) has helped the Community Foundation of the New River Valley discover community needs, while the Foundation has helped NRVPDC engage community members. In Texas and North Carolina, foundations and RDOs worked together on projects to provide wildfire relief and equip a business incubator, respectively. Oregon's Mid-Columbia Economic Development District (MCEDD) has been working with the Meyer Memorial Trust to develop a digital tool to connect foundations with community priorities, while the Northeastern Pennsylvania Alliance (NEPA) operates a resource center to facilitate partnerships. These stories demonstrate how foundations and RDOs can help each other leverage resources, expand their toolkits, broaden their networks, and align their work programs.



Data Source: ESRI and NADO.

Geographic areas served by the eight RDOs highlighted in this report.

Organizations Highlighted in this Report

RDOs			
Name	Location	Description	Website
East Alabama Regional Planning and Development Commission (EARPDC)	Anniston, AL	Provides an array of general planning services to member governments, and transportation planning support to the region's Metropolitan Planning Organization (MPO). Economic Development Administration (EDA)-designated Economic Development District (EDD) and Appalachian Regional Commission (ARC)-designated Local Development District (LDD) for ten counties in east Alabama. Serves as the transportation Rural Planning Organization (RPO) for non-urbanized areas, and administers public transportation service in parts of its region. Area Agency on Aging administers state and local programs for seniors.	www.earpdc.org
East Central Iowa Council of Governments (ECICOG)	Cedar Rapids, IA	Promotes regional cooperation and provides planning services to member governments in seven counties in east central Iowa. Offers transit services to some areas within its region; administers housing and community development programs; provides technical assistance in a variety of planning areas; and prepares regional transportation, environmental, and economic development plans.	www.ecicog.org
Region Five Development Commission (R5DC)	Staples, MN	Provides assistance to the private, public, and non-profit sectors within five counties of central Minnesota. Implements regional programs in business financing, community and economic development, well water and septic lending, and transportation.	www.regionfive.org
Upper Coastal Plain Council of Governments (UCPCOG)	Wilson, NC	Provides planning, grantwriting, and technical assistance to five counties and thirty-eight municipal government members in northeast North Carolina. Administers federal, state, and local programs in workforce development, aging, and small business development.	www.ucpcog.org
New River Valley Planning District Commission (NRVPDC)	Radford, VA	Promotes regional collaboration, coordinates policies and activities of member governments, and provides planning assistance to local governments within four counties of southwest Virginia, and the City of Radford. Serves as the region's EDD and provides planning, programs, and technical assistance in economic development, community development, grantwriting, housing, transportation, and natural resource management.	www.nrvpdc.org
Mid-Columbia Economic Development District (MCEDD)	The Dalles, OR	Serves member cities, counties, ports and chambers of commerce within three counties in Oregon and two counties in Washington, bordering the Columbia River. Promotes job-creation, economic diversification, and industry and business retention within the region, and serves as the EDA-designated EDD.	www.mcedd.org
Northeastern Pennsylvania Alliance (NEPA)	Pittston, PA	Serves as the EDD for seven counties in northeast Pennsylvania, and the state-designated local development district. Provides technical assistance to local governments, implements economic development programs, offers small business loans, and manages a Non-Profit and Community Assistance Center. Members include private, non-profit, and government organizations.	www.nepa-alliance.org

RDOs			
Name	Location	Description	Website
South Plains Association of Governments (SPAG)	Lubbock, TX	Voluntary Council of Governments serving member city and county governments within 15 counties of northwest Texas, and EDA-designated EDD. Advocates for the region's local governments and provides planning, technical assistance, and programs in economic development, criminal justice, community development, homeland security, solid waste and environment, and aging.	www.spag.org

Foundations			
Name	Location	Programs Discussed in Report	Website
Community Foundation of Northeast Alabama	Anniston, AL	Prescription drug assistance for seniors, and ongoing collaboration with EARPCD.	www.yourcommunityfirst.org
Greater Cedar Rapids Community Foundation	Cedar Rapids, IA	Recapitalization of small business assistance revolving loan fund, in collaboration with ECICOG. Partnership on veteran support and community sustainability grants with ECICOG and other collaborators.	www.gcrf.org
Initiative Foundation	Little Falls, MN	Various projects with R5DC.	www.ifound.org
Golden LEAF Foundation	Rocky Mount, NC	Business incubator, in collaboration with UCPCOG.	www.goldenleaf.org
Community Foundation of the New River Valley	Christiansburg, VA	Public engagement for the New River Valley Livability Initiative, with NRVPCD.	www.cfnrv.org
Meyer Memorial Trust	Portland, OR	Investment platform for economic development—to prioritize community needs and match development projects with capital providers—in collaboration with MCEDD.	www.mmt.org
Lubbock Area Foundation	Lubbock, TX	Fundraising for under-resourced fire departments, with SPAG.	lubbockareafoundation.org

Dialogue: how to engage community foundations

RDOs and foundations have used diverse strategies to engage each other, from building on personal relationships to establishing institutional structures that promote collaboration. Doug Elliott, ECICOG's Executive Director, encourages RDOs to develop collaborative relationships with foundations:

Not many of us [RDOs] count foundations within our immediate constituency, and not many foundations know what we do and what resources we bring. Establishing enough of a relationship that they're aware of who we are and what we do is helpful. Seeking money doesn't have to be the reason to approach them—we're working on shared efforts to leverage money for the benefit of our shared constituency.

Greater Cedar Rapids Community Foundation's Tracy Tritle adds that in the current funding environment, "Calls for proposals require a quick turnaround, and communities need to have projects ready when a funding opportunity comes out."⁵ Ongoing discussions between local and county governments, foundations, RDOs, and other regional players can help communities stay ahead of the funding process.

Whether informal or institutionalized, partnerships between RDOs, local governments, and foundations rely on open dialogue. To begin this dialogue, central Minnesota's R5DC invited the Initiative Foundation's leadership to discuss the two organizations' work programs. According to R5DC's Executive Director Cheryal Lee Hills, this initial conversation helped the Foundation understand R5DC's goals, culture, expertise, and skills. She recalls:

That initial meeting of our leadership teams set the tone of collaboration. We tried to explain what we were hoping to do, and how it complements what they do. Once they understood our strengths and where we fit, they were more likely to call, and when I called them they understood how their projects aligned with work we were trying to do.

Continuous dialogue prevents both organizations from replicating work or stepping on each other's toes.

Often, partnerships grow from personal relationships, as was the case when wildfires blazed across west Texas in 2011. At a Junior League reception, the Lubbock Area Foundation's Executive Director chatted with the South Plains Association of Governments' (SPAG) Director of Regional Services. The two discussed whether the region's fire departments might need foundation support to fight the fires ravaging the state. In fact, SPAG had received approximately twenty phone calls from fire departments—many of them volunteer-run—requesting funds through the SPAG Homeland Security Unit. Unfortunately, the State of Texas did not receive a disaster declaration as a result



Source: ECICOG.

ECICOG business assistance revolving loan fund award announcement: Dr. Rebecca Blank, Acting U.S. Secretary of Commerce, (center) stands with representatives of Ovation Networks, Inc., who hosted the ECICOG revolving loan fund recapitalization award announcement at their offices in Cedar Rapids in August 2011. Ovations received a loan from the ECICOG revolving loan fund. After working together to recapitalize the fund, the Foundation and ECICOG have collaborated on other grant applications.

of the wildfires and drought situation in 2011; in the absence of state or federal assistance, SPAG began coordinating a fundraising drive with the Foundation (further details are included later in this report). By diversifying their networks and thinking creatively, RDOs can make unexpected connections to support regional needs.

Through a more formal partnership, eastern Iowa's Greater Cedar Rapids Community Foundation established a community development staff position jointly funded by the City of Cedar Rapids, Linn County, and the Foundation. The county supervisor, staff to the city administrator, and Foundation president meet regularly to determine program priorities to benefit a broad group of regional stakeholders. The Foundation often consults with ECICOG before applying for grants and relies on its relationship with ECICOG and other partners to reduce redundancies between organizations' programs and grant applications.

When the time comes to pursue specific projects, Greg Godard, Executive Director of North Carolina's UCPCOG, often submits short concept papers to the foundations with whom he maintains a dialogue. Concept papers precede the lengthy "due diligence" process; they summarize program goals and invite feedback



Source: SPAG.

Wildfires in Texas, 2011: Since the State of Texas did not receive a disaster declaration when wildfires tore across the state, government aid to fire departments was limited. SPAG and the Lubbock Area Foundation worked together to raise over \$40,000 for under-resourced fire departments.

from the foundation. This allows RDOs to tweak their proposals, sharpen programs to align with foundations' missions, or seek alternative funding sources. UCPCOG worked closely with the Golden LEAF Foundation to refine plans for a business incubator that opened in 2007 in Wilson, NC. The foundation provided continuous feedback on a funding proposal the project planners intended to submit, and Golden LEAF awarded a \$200,000 grant to purchase technology, furniture and equipment for the incubator.

“Seeking money doesn’t have to be the reason to approach them—we’re working on shared efforts to leverage money for the benefit of our shared constituency.”
– Doug Elliott, ECICOG

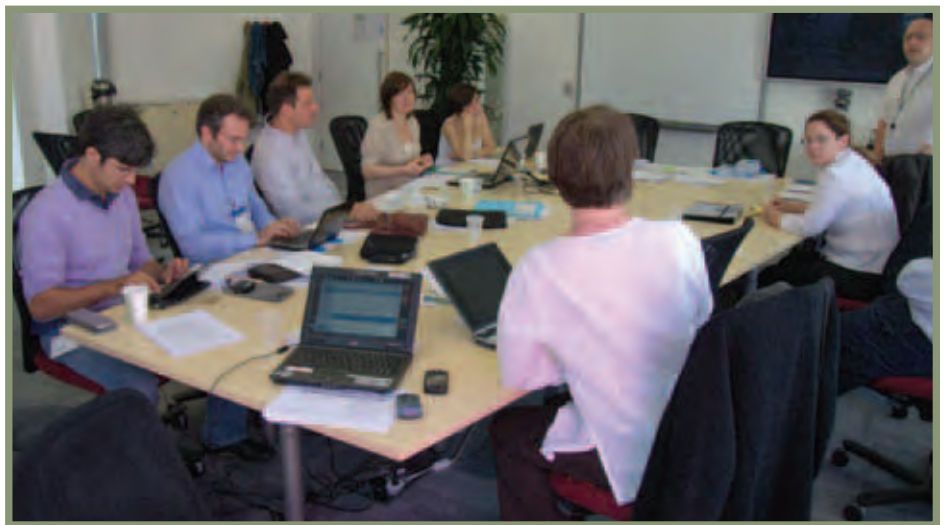
Accountability: key to enduring partnerships

A strong track record with foundations' dollars helps foster productive partnerships. A long-standing relationship between the Community Foundation of Northeast Alabama and EARPDC began with a successful community health project. In the year 2000, soon after its inception, the Foundation approached EARPDC with a prescription drug assistance program for seniors. EARPDC suggested changes that would produce more sustainable outcomes, the partners adapted the plan accordingly, and EARPDC implemented the program at a lower cost than initially anticipated. Not only did this success build EARPDC's credibility with the Foundation, but the program—along with similar initiatives in other communities—became the model for a statewide, state-funded program called Alabama Senior RX.

Minnesota's R5DC's experience also demonstrates the value of building a strong reputation. According to Hills, R5DC's strong track record with the Initiative Foundation opened doors with other regional foundations. She remembers:



Source Judy Baxter, <http://bit.ly/Ocqbqbg>.



Source: Flickr user kismihok, <http://bit.ly/NCJfPf>.

UCPCOG's Business Development Center: After working closely with the Golden LEAF Foundation during the planning stages for a small business incubator, UCPCOG successfully obtained a \$200,000 grant to purchase technology, furniture, and equipment for the center.



Medical aid for seniors: EARPDC and the Community Foundation of Northeast Alabama worked together to launch a prescription drug assistance program for seniors. The State of Alabama adopted a statewide program modeled on the collaborators' work, and the partners have continued to work together.

Foundations talk to each other. After doing good work and proving ourselves, the Bush Foundation called and asked if R5DC would be interested in completion of a \$40,000 project that added significant value to our Sustainable Communities Initiative. That happened as a result of nurturing relationships and the Initiative, Blandin, and Otto Bremer Foundations saying "these people are going to use your money well."

EARPDC's Randy Frost adds another angle to the idea that successful collaboration with one foundation can open doors with others. He suggests that partnerships with local foundations—as members of state and national associations of foundations—can help RDOs access matching grant programs from larger foundations.

By engaging in ongoing dialogue and establishing a reputation for using dollars well, RDOs can foster enduring partnerships with foundations. The organizations' shared constituencies benefit from this spirit of collaboration and mutual understanding of each other's work.

Complementary strengths and perspectives: sharing information to meet community needs

Both RDOs and foundations may benefit from their counterparts' complementary strengths and perspectives. RDOs often collect data on community needs that foundations may tap. For example, Virginia's New River Valley PDC and a consortium of partners are facilitating a regional Livability Initiative.

"If our board decides it wants to be involved in an emerging issue, the Planning Commission is the first place we can go to get data."

—Jennifer Maddox, Community Foundation of Northeast Alabama

Through the Initiative, NRVPCDC has collected data that the Community Foundation of the New River Valley uses to develop its priorities. At the Foundation's spring 2012 programming retreat, NRVPCDC briefed the group on key indicators from the region, and the Foundation used these data to shape its funding directives. NRVPCDC also facilitated a low-literacy survey, to gather data and perspectives from some of the most underrepresented and least vocal members of the community. According to NRVPCDC's Executive Director Kevin Byrd, the low-literacy survey "received a lot of response. This is beneficial in helping to align grant money with local needs, rather than aligning programs only with the more vocal minority that attends public meetings." The Foundation's Director Jessica Wirgau confirms that data collected through the Livability Initiative have shown the Foundation "what needs are out there so that we can educate donors on the most substantial needs and how we can support organizations that are meeting those needs."

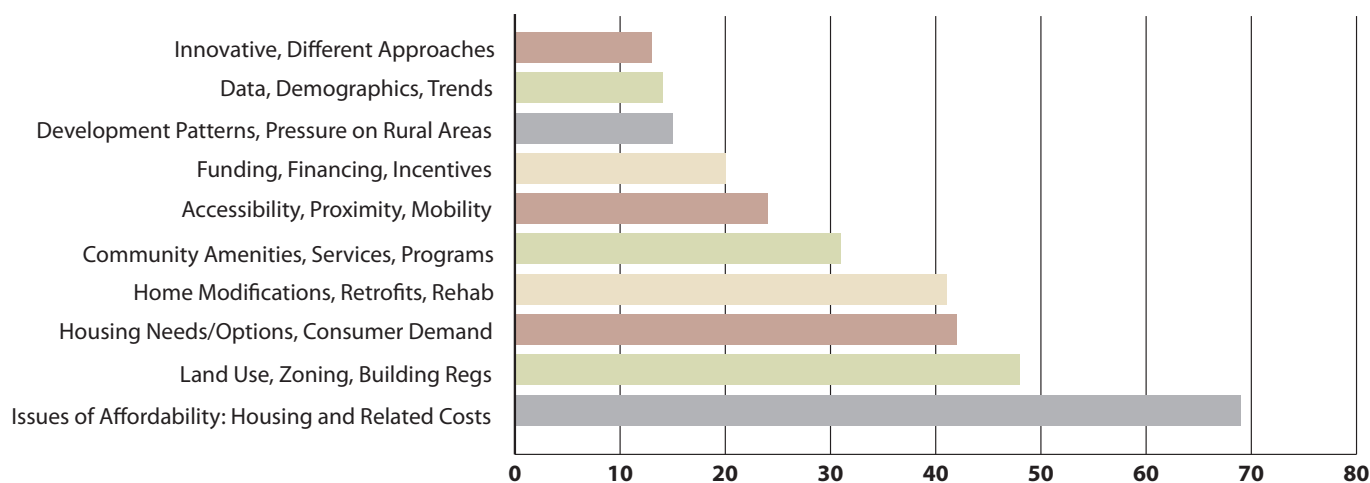
In addition to data concerning community needs, RDOs provide knowledge of government processes and issues that may interest foundations. Community Foundation of Northeast Alabama President and CEO Jennifer Maddox remarks:

If our board decides it wants to be involved in an emerging issue, the Planning Commission is the first place we can go to get data. Also, because the Planning Commission has substantial experience with the Federal government, I know that I can rely on [EARPDC Area Agency on Aging Director] Randy's expertise whenever the Foundation needs assistance in understanding the intricacies of government policy, procedures, and processes.

Similarly, referring to a federal grant application filed by a consortium of partners in Iowa, the Greater Cedar Rapids Community Foundation's Tritle remarked: "ECICOG's knowledge was key to writing the grant."

Central Minnesota's Hills echoes the sentiment that RDOs provide proficiency in government processes, and adds that her organization's interdisciplinary experience adds value for partner foundations. R5DC's work crosses disciplinary boundaries including watershed management, agriculture, housing, land use, transportation, and economic development, and R5DC has connections with professionals, community leaders, and elected

New River Valley Housing Priorities and Issues



Source: NRVPCDC.

Public input on housing issues, gathered through the New River Valley Livability Initiative: The Community Foundation of the New River Valley sits on the Livability Initiative consortium and facilitates public outreach. This and other data collection processes help the Foundation and NRVPCDC identify community needs and align their work programs.

officials in all of these fields. The RDO has also applied for state and federal grants from a myriad of agencies and keeps tabs on current funding sources. According to Hills, “That’s a sizeable value when foundations are asking you to leverage their dollars—knowledge of funding opportunities and diversification amongst disciplines makes us a major asset.”

R5DC has seen foundations show some flexibility in their funding programs, based on the RDO’s perspective on community needs. Hills counsels, “I’m strategic about aligning projects with the foundation’s priorities. When the shift happens and you’re given the trust to just apply, you still have to make sure you’re getting the biggest bang for a foundation’s buck. Be thoughtful about how a project advances the foundation’s goals.”

For example, the Blandin Foundation—which focuses on expanding broadband access—recently collaborated with R5DC to fund technological improvements for fire departments. While not exclusively about broadband, this project related to the Foundation’s technological focus. As a bonus, it exposed the Foundation to technology’s effectiveness in improving government efficiency, and local government reform has since become a priority for Blandin and other foundations in the region. As this anecdote illustrates, Hills has seen that foundations will shift their strategies based on RDO input on community needs, if they understand how a change will better benefit the community.

While RDOs provide a broad perspective, collect data, track issues, and provide knowledge of government processes, foundations often offer highly specialized expertise within their focus

areas. Historically focused on health issues, the Community Foundation of Northeast Alabama offers EARPDC knowledge of the medical field. Minnesota’s R5DC has worked with foundations that specialize in land use, civic engagement, housing, broadband access, and entrepreneurship. Along with knowledge, these foundations also maintain connections with professionals in their fields of interest. Thus, the Community Foundation of Northeast Alabama helps EARPDC connect with stakeholders in the medical field. Hills notes that the Initiative Foundation’s “amazing relationships with people at various levels” open opportunities if she needs an introduction. Meanwhile, RDOs help foundations connect with local government officials that they may not otherwise know.

Foundations and RDOs can also leverage one another’s professional capacities. For example, Minnesota’s Initiative Foundation helps communities conduct visioning processes, but it does not specialize in project development or implementation. Often, after helping a community identify its priorities, the Foundation provides funding to R5DC to assist with project implementation. Conversely, since the Foundation provides a neutral perspective, R5DC has contracted it to facilitate a public engagement process.

The fundraising drive for fire departments in west Texas illustrates the power of collaboration based on shared skills, networks, and expertise. In this case, each partner did what it does best: The Lubbock Area Foundation housed the fund, since its 501(c)(3) status allowed for tax-deductible donations. It also connected

with community leaders, businesses, and organizations to solicit funds; coordinated a media effort; collected donations; managed the fund; and disbursed grants. SPAG connected with emergency responders across the region, encouraged local governments to participate in the fundraising drive, tracked fire departments' levels of need, accompanied the Foundation to media events, and even ran an office auction to raise money for the effort. The

Foundation's Executive Director Kathy Stocco reflected, "It made it a lot easier for both of us to work together. They had information and contacts that we definitely needed, and we had other contacts and the ability to raise funding."

By November 2011, the Foundation had raised over \$40,000 for 18 fire departments.

Case Study: Resource Center Serves Nonprofits and Foundations

In a region with over 2,500 non-profits, the Northeastern Pennsylvania Alliance's (NEPA) Non-Profit & Community Assistance Center (NCAC) helps foundations and non-profits better fill community needs. Both a resource center and a matchmaker, NCAC helps non-profits manage operations and tap into funding sources beyond the local foundations. The Center houses a library with resources like sample by-laws and how-to guides to grantwriting, and it consults with non-profits to identify well-fitting funding opportunities. According to NCAC's Kurt Bauman, the Center prides itself on its goal "not to do for the non-profits but teach them how to optimize their operations, by focusing on finding a foundation that best matches their programs. It's about helping organizations find the right foundations to apply to, rather than just spinning their wheels."

In addition to assisting non-profits and community groups, NCAC serves public, private, corporate, and community foundations. The Center's matchmaking role helps foundations, and it also helped start a regional association of grantmakers led by the Harry and Jeanette Weinberg Foundation and the McGowin Charitable Trust. The association serves as a peer network for about 45 national, local, and regional foundations, who meet biannually. They depend on each other for advice on grantmaking, and they often collaborate to leverage funds for large projects.

Through NCAC, NEPA is helping to facilitate partnerships within the non-profit and foundation communities. The Center encourages non-profits with similar missions to merge operations (saving on overhead) and seek opportunities for collaboration. It also facilitates the networks that allow communities to tap into large federal, state, and foundation grants. Echoing sentiments expressed throughout this report, Bauman says:

Community development is where foundations and non-profits could start collaborating to solve problems more quickly. So many federal and state resources require a match, and foundations don't realize that if they put a little money towards a small park, arts, or education program, that can leverage into federal or state money that wouldn't come otherwise. Foundations and economic development agencies provide better amenities if they work on projects together.

NEPA's experience shows that resources are well-spent when used to facilitate these partnerships.

Stakeholders: engaging a broad network

Even beyond their professional networks, foundations and RDOs may engage different stakeholders, and tapping into each other's constituencies can facilitate more inclusive programs and decision-making processes. In Virginia's New River Valley, the Foundation helps NRVPCDC connect with community members who may not usually engage with government through formal public meetings. Byrd notes, "The Foundation is an extremely well-respected organization. They provide a conduit to people who are passionately engaged in the community, but who are not involved with government." As the regional Livability Initiative's public engagement facilitator, the Foundation helps bring community members and leaders to the table.³

Conversely, RDOs bring together regional organizations and local governments that foundations may not normally engage. In eastern Iowa, a consortium of regional players—including ECICOG and the Greater Cedar Rapids Community Foundation—has submitted grant applications for regional sustainability planning and veteran support services. In these efforts, ECICOG added value by bringing organizations from around the region to the table, though they may not have collaborated before. Tracy Tritle from the Foundation remarked, "ECICOG's staff brought knowledge about who the players should be. They helped create a consortium of city and county governments that don't always sit at the table together, and assisted in facilitating the process."

Leverage and diversification of funding

Of course, funding represents a major driver for RDO-foundation partnerships. The financial advantages of working with foundations extend beyond simply soliciting and receiving grants, however. Foundations represent an important mechanism for communities to leverage funding opportunities, and to diversify their funding portfolios.

Iowa's ECICOG successfully leveraged foundation funds in 2011, and launched an enduring partnership with the Greater Cedar Rapids Community Foundation. In 2008, eastern Iowa experienced devastating floods, which intensified for Iowans the economic crisis sweeping the nation. Following the floods, the U.S. Economic Development Administration (EDA) provided a grant for ECICOG to establish a small business assistance revolving loan fund. Recognizing a need to recapitalize the fund in 2011, EDA offered ECICOG a \$2.9 million grant. The community needed to raise a hefty local match in a matter of weeks, and ECICOG approached the Greater Cedar Rapids Community Foundation for assistance. The Foundation committed to pro-

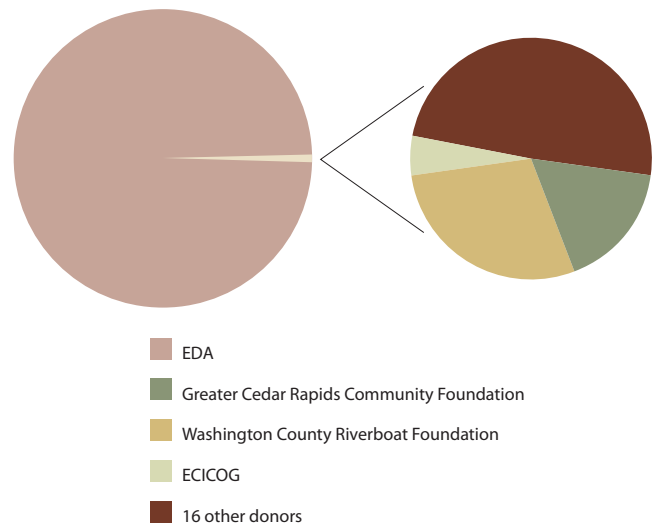
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– Kevin Byrd, NRVPCDC

vide up to \$50,000 to fill the gap and ultimately provided the largest of 17 contributions to the \$195,000 local match.⁴

Foundations also work with each other to leverage funds, share risk, and align goals to achieve the greatest impact. Networks of foundations jointly fund projects that advance their mutual goals but are too big for any of them to accomplish alone. From Minnesota, the Initiative Foundation's Don Hickman explains, "Foundations don't mind sharing the gain or pain of risky proj-

Contributions to ECICOG small business recovery revolving loan fund



External and local funding for ECICOG's small business revolving loan fund: Over two funding cycles, EDA has contributed \$4.4 million, matched by \$250,000 of local funds. Foundations and RDOs can help each other identify opportunities to leverage local dollars as matches for major grants.

Source: SPAG.



Regional Heroes: SPAG and the Lubbock Area Foundation worked together to raise over \$40,000 for their region’s fire departments, helping them extinguish wildfires raging across the region.

ects. I can’t just toss a million dollars at a project, but if I can get several partners to toss in a quarter-million, it’s more likely to happen.” R5DC understands this strategy and has used it to leverage foundation and government dollars. R5DC obtained a \$25,000 commitment from three foundations, to match a \$400,000 federal grant for micro-lending. Not only did the tripartite match secure a hefty sum, but it demonstrated broad local buy-in that federal agencies love to see. Even for smaller projects, SPAG’s Director of Regional Services Elena Quintanilla suggests that RDOs look to foundations to complement other funding sources: “Think about how foundations can fund a piece of a project; many contributions can come together to make a bigger picture come to life.”

Anticipating a tight fiscal future, Alabama EARPDC’s Frost suggests that working with foundations can help RDOs diversify their funding sources. According to Frost:

Knowledge of funding opportunities and diversification amongst disciplines makes [RDOs] a great asset.

– Cheryl Lee Hills, R5DC

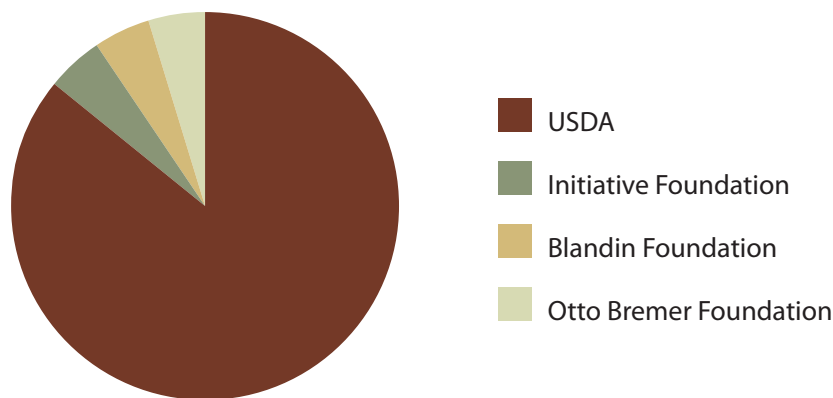
We [RDOs] have been such advocates—and will continue to be—for federal and state programs, but the burden on municipalities with limited tax bases, struggling economies, and high unemployment kills revenues in states like Alabama. We can complain about it or we can seek out other sources. The bottom line is we need to diversify, especially for growth and innovation.

The Community Foundation of Northeast Alabama has provided gap funding for public services like paratransit in rural Alabama. Still, the Foundation’s Maddox adds a note of caution against over-reliance on the not-for-profit and foundation community to provide public services: “Not-for-profits have to operate in a fiscally conservative way because, without assets, they can’t borrow large sums of money like the government or business sectors can. If the government continues to cut services, and assumes not-for-profits will pick them up, there will come a point when they just can’t.”

³“NRV Livability Initiative,” Community Foundation of the New River Valley, <http://www.cfnrv.org/about-us/community-partnerships/nrv-livability-initiative/>, (June 1, 2012).

⁴East Central Iowa Council of Governments, “ECICOG Express” (newsletter, Cedar Rapids, IA, 2011).

Contributions to R5DC-administered micro-lending program fund



External and local contributions to R5DC’s micro-lending program fund: R5DC obtained almost \$25,000 from each of three foundations, which served as the local match for a \$400,000 loan from USDA to establish a micro-lending program.

Data source: R5DC. Graphic: NADO Research Foundation.

Case Study: Technological Tool Connects Funders and Communities

For many RDO staff members, it may not take much imagination to picture a state agency official pulling her hair out because there are too many needs and not enough funds. She lacks time to identify enough private and foundation funding to meet these needs, and jurisdictional and professional silos prevent funders and development professionals from connecting. That scenario—all too common across the country—prompted the Meyer Memorial Trust, State of Oregon (via the governor’s office and various state agencies), State of Washington (via local representatives) and the Mid-Columbia Economic Development District (MCEDD) to develop a new tool that will connect capital providers with high-priority economic development projects.

The project began when the Trust decided to design an economic development funding strategy. First, it needed to gain an understanding of what “economic development” entails. To this end, the Trust’s Economic Development Fellow, Kipp Baratoff, interviewed hundreds of planners, funders, and stakeholders within the Trust’s service area and identified seven “asset areas” which economic development programs typically are designed to strengthen. He presented the asset areas to the Trust as a menu of program options, and the Trust asked him which asset area it should focus on. Since Baratoff had learned that needs vary between communities, he developed a rating system for communities to prioritize projects and piloted the system in MCEDD’s five-county region.

The project evolved from prioritizing investment areas for the Trust, to creating a dual-ended planning and communication portal. On the communities’ end, the tool helps prioritize needs and identify capital providers whose program areas align with priorities. For foundation, public, or private capital providers, the tool identifies communities whose needs match the funders’ grantmaking or investment programs. The tool accomplishes this by framing development projects and capital providers’ investment criteria/program areas in the same language. Similar to the Real Estate Multiple Listing Service (RMLS) that serves both homebuyers and sellers, the tool will help both capital providers and communities prioritize their initiatives and connect with each other based on a common set of criteria. According to Baratoff, “We’re trying to build an RMLS-like platform for economic development that has additional feature sets for users that promote capital collaboration across sectors and local community management at system scale.” At the time of publication, Baratoff expected to finalize the tool within a few months, for its pilot rollout with MCEDD.

During Baratoff’s initial interviews, he heard both communities and capital providers express a need for this tool. MCEDD leaders wanted a way to engage the community in planning and economic development on an ongoing basis. Capital providers wanted a portal into communities where they may not have staff on the ground, and they wanted to communicate with each other to leverage resources. The tool will not replace human relationships as an important component of collaboration; instead it uses technology to help funders and communities focus their efforts on the highest-priority needs. By translating funder priorities and community needs into the same standard nomenclature, it also will help organizations understand that their activities may align more than they realized.

Conclusion: aligning work programs with community needs

A primary benefit of partnerships between RDOs and foundations is that both types of organizations benefit from the other’s perspective and can coordinate their work programs to best meet community needs. Several RDOs have experienced give-and-take with foundations in aligning priorities, and, as Hills notes, “Many RDOs have a wealth of knowledge and perspective about community needs and gaps.”

By meeting early to discuss mutual goals, explaining how the organizations’ strengths complement each other, and establishing a strong track record, RDOs can gain credence with foundations so that their observations may be shared. Foundations and RDOs benefit from the other’s skills, expertise, and networks, and by working together they can leverage community and external resources for the benefit of their common constituency.



While RDOs and foundations differ in their particular competencies, collaboration allows them to share information and build on each other’s strengths. Key strategies for building relationships include:

1. Establish understanding about organizational missions and capacities.
2. Identify opportunities to collaborate around common goals and complementary strengths, expertise, or networks.
3. Foster a spirit of collaboration.
4. Maintain dialogue.
5. Share information about community needs.
6. Align work programs to match community needs.
7. Build a reputation for success.
8. Identify opportunities to leverage public, private, and foundation resources.

Source: NADO Research Foundation.



About NADO

The National Association of Development Organizations (NADO) is a national membership organization for the national network of over 520 regional development organizations (RDOs) focused on strengthening local governments, communities, and economies through regional strategies, partnerships, and solutions.

Founded in 1988, the NADO Research Foundation is the nonprofit research affiliate of NADO. The NADO Research Foundation identifies, studies, and promotes regional solutions and approaches to improving local prosperity and services through the nationwide network of RDOs. The Research Foundation shares best practices and offers professional development training, analyzes the impact of federal policies and programs on RDOs and their local communities, and examines the latest developments and trends in small metropolitan and rural America. Most importantly, the Research Foundation is helping bridge the communications gap among practitioners, researchers, and policy makers.

This report was researched and written by NADO Research Foundation Graduate Fellow Parrish Bergquist, with guidance from Associate Director Kathy Nothstine. Anju Chopra provided preliminary research.

Special thanks to those who consented to be interviewed:

- Amanda Hoey, Mid-Columbia Economic Development District (OR)
- Cheryal Lee Hills, Region Five Development Commission (MN)
- Don Hickman, Initiative Foundation (MN)
- Doug Elliott, East Central Iowa Council of Governments
- Elena Quintanilla, South Plains Association of Governments (TX)
- Greg Godard, Upper Coastal Plain Council of Governments (NC)
- Jennifer Maddox, Community Foundation of Northeast Alabama
- Jessica Wirgau, Community Foundation of the New River Valley (VA)
- Kathy Stocco, Lubbock Area Foundation (TX)
- Kevin Byrd, New River Valley Planning District Commission (VA)
- Kipp Baratoff, Meyer Memorial Trust (OR)
- Randy Frost, East Alabama Regional Planning and Development Commission
- Tracy Tritle, Greater Cedar Rapids Community Foundation (IA)



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