

THE CHRONICLE OF PHILANTHROPY

NEWS AND ANALYSIS

JANUARY 20, 2016

Following Bloomberg's Lead, L.A. Builds Its Own Mayor's Fund



JON ENDOW, MAYOR'S FUND FOR LOS ANGELES

The Mayor's Fund for Los Angeles, started by Mayor Eric Garcetti, supports 19 programs. They include Summer Night Lights, which keeps park lights on in evening hours to deter crime.

By Megan O'Neil

LOS ANGELES

When an arsonist broke into a downtown construction site here in December 2014, the resulting fire not only destroyed the rising apartment complex but also damaged adjacent city-government offices. Included in the tens of millions of dollars in losses were 2,500 holiday gift bags intended for impoverished individuals served by the city's Department of Aging.

Time and money to replace the items was short. The bags had been personally paid for and assembled by city staff members. But within two weeks, right before Christmas, \$225,000 was raised, largely from individual members of the public. It was sufficient to create 4,000 gift bags, one for each of the department's homebound seniors.

The fundraising vehicle was the Mayor's Fund for Los Angeles, a charity conceived by Mayor Eric Garcetti as a linchpin between city-run programs and initiatives and donors who want to support them.

Created in June 2014 — it was originally housed at the California Community Foundation — the fund has secured \$22 million in commitments from a cross-section of foundations and individual Angelenos. Some of the biggest include \$2 million from the Walt Disney

Company and \$1 million from the Annenberg Foundation.

"Having a vehicle that brings together the private sector, the public sector, and the philanthropic sector to deal with urban problems is something that everybody is struggling with," says Marc Stern, chairman of the Los Angeles-based asset-management firm TCW Group, who has personally pledged \$500,000 to the fund and sits on its board. "This isn't the perfect solution, but it works. It is able to do an awful lot of things in a pretty nimble way."

Deterring Crime

The Mayor's Fund for Los Angeles has four full-time employees who work out of city hall. The fund assists 19 programs, including Summer Night Lights, which puts on programming in city parks during evening hours to deter crime, especially among young people. Contributions to the fund also allowed the city to double its summer youth-employment program in the last two years to 10,000 participants.

A number of city efforts supported by the fund are decidedly less warm and fuzzy. They include reducing water usage in the drought-stricken region, streamlining the city's procurement process, and cataloging, for the first time ever, the city's extensive real-estate holdings.

Peter Long, head of the Blue Shield of California Foundation, says his organization has long partnered with government. Last year it made two grants, of \$50,000 each, to the mayor's fund to support emergency response to domestic violence. The foundation also made a \$100,000 commitment to support a comprehensive planning process on how to reduce domestic violence across the city. It's early days for the mayor's fund, he says, and additional grants from his foundation may depend on how that planning process goes.

What is clear, says Dr. Long, "is that unless we have access to, or the ability to work in alignment with policy in some way, we are going to be chipping away at problems rather than having scalable impact."

The fund offers a chance for that alignment.

Finding the Greatest Need

Deidre Lind, president of the Mayor's Fund for Los Angeles, says there were already many public-private partnerships in Los Angeles before Mr. Garcetti started the fund, and many will continue outside its purview. But there has not always been good coordination or communication among them, and potential donors have sometimes struggled to figure out where to apply their money to greatest effect.

"Many donors do want to understand where the greatest needs are," Ms. Lind says. "The mayor stands in a unique place to understand that."

The model has precedent. The 501 (c)(3) organization — it was awarded charity status in October 2014 — borrows from the Mayor's Fund to Advance New York City, one of a number of public-private partnerships championed by Michael Bloomberg, the former mayor of New York. That fund raised more than \$400 million for public programs during Mr. Bloomberg's 12 years in office, including \$60 million for response efforts to Hurricane Sandy.

Megan Sheekey, who led the New York fund for eight years during Mr. Bloomberg's time as mayor, says that because strategic public-private partnerships are relatively new in most cities, helping stakeholders understand the model takes time. In places like New York and Los Angeles, there are already many charities doing good work, and funds created by mayoral administrations should not compete.

"City government is uniquely positioned to address many of the challenges its residents face," Ms. Sheekey, who now works at Bloomberg Associates helping cities forge public-private partnerships, wrote in an email. "However, there are forces that can limit its ability to respond to pressing challenges and changing needs. A mayor's fund can work with government agencies to pilot new approaches as well as expand programs with private support, while simultaneously evaluating their outcomes and merit for future investment."

To be successful, mayor's funds need to be operated with strong oversight, accountability, and transparency Ms. Sheekey says.

She describes the work being done in Los Angeles so far as "very impressive"

James Ferris, director of the Center on Philanthropy and Public Policy at the University of Southern California, said the New York mayor's fund worked well because of Mr. Bloomberg's personal wealth and networks, and the central role played by Wall Street.

"The key question is is it a model that can be sustained over time, generating a new capacity for public problem solving, with a demonstrated impact that would otherwise be unattainable?" Mr. Ferris wrote in an email.

Growth Initiative

Ms. Lind of the Mayor's Fund for Los Angeles says the fund it is not intended to provide long-term support for any given program. Instead, the idea is to provide the resources needed to successfully expand a program, demonstrate results, and then have the city absorb the costs of that program into its own budget.

"We know our results will speak the loudest in terms of any critics we may have, or any concerns people may have," Ms. Lind says. "Staying clearly focused on results and continuing to show those results as we grow as an organization will be critical to our success."

A major priority for its current stewards is sustainability. The fund must outlive Mr. Garcetti's administration, Ms. Lind and others say. That challenge is no small matter, with questions already arising about the motives of some donors.

A *Los Angeles Times* article published last year quoted contributors saying they saw the charity as a way to forge relationships with the mayor. The article also raised questions about the skirting of campaign-contribution laws. For starters, companies with city contracts greater than \$100,000 are not allowed to contribute to mayoral campaign. They can contribute, without limits, to the new fund.

Ms. Lind and Mr. Stern emphasize that the fund, and its board, operate at arm's length from city government. Donors receive no favors from the mayor, they say, and staff are carefully complying with all laws and regulations. Any donations greater than \$5,000 must be disclosed to the City of Los Angeles Ethics Commission.

"The big thing that we are trying to do is make sure that through our independence and through our metrics, we do as much as we can to keep this an adjunct of city government, not something that can be criticized as 'the mayor's this' or 'the mayor's that,' " Mr. Stern says.

Though no specific amount has been set as a goal for donations, Ms. Lind says she would like to see fundraising continue at its current pace. In five years, she and her colleagues want to have a list of wins linked directly to the fund.

And they are already starting to field calls from other cities interested in setting up their own mayor's funds, she says.

"I think that we've proven that the model can work in a city that doesn't have the unique assets that New York might have," Ms. Lind says.

Editor's note: Megan O'Neil, news editor of The Chronicle, is an occasional freelance contributor to Bloomberg News.

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