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Dear Community Partners,

When I joined Alliance Healthcare Foundation (AHF) in 2019, I could not have predicted the magnitude of changes that would soon engulf us all: A global pandemic and public health crisis, an extremely volatile economy, a nationwide civil rights uprising and racial reckoning that emphasized the need for systemic change and transformation.

It may be tempting to say that no one was spared from the ripple effects of these world-changing events, however, we know that the impact was and still is not at all equally felt. Every single one of these circumstances hit low-income and historically marginalized communities the hardest.

This awareness called the AHF team into an even greater sense of urgency to tackle health inequities in the San Diego and Imperial County region.

There was a broader willingness – both within and outside of philanthropy – to question long-standing assumptions and more deeply examine issues of power, equity and justice. We leaned in, with intention and commitment.

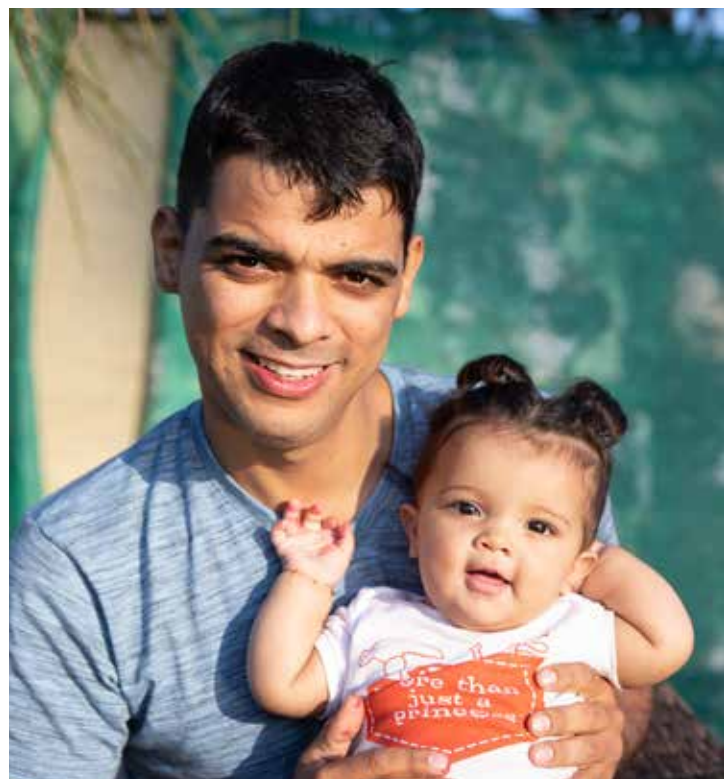
Over the past few years at Alliance Healthcare Foundation, we have focused significant energy on some key themes:

- Centering racial equity in our work;
- Shifting more investments to strategically address systemic “upstream” social determinants of health (SDoH) like economic security and mobility, housing, and the racial wealth and income gap, and

- Exploring more trust-based philanthropy principles, and how community voices can and should directly guide our work.

Under our three core focus areas – addressing root causes, supporting the safety net and advancing innovation – we’ve been able to accomplish significant strides in the above themes. For example...

Our grants and investments helped catalyze over \$12 million in additional leveraged funds over the past two years supporting key social and health impact programs in our region.



Source: San Diego Rapid Response Network



Source: UCSD Refugee Health Unit

As we sought to deploy more of our endowment/ investment capital towards positive social change, we were able to more than double our impact investment portfolio from \$2.5 million to nearly \$6 million deployed locally.

We provided anchor funding for the San Diego for Every Child Guaranteed Basic Income pilot program. Direct cash assistance has been proven to be an incredibly powerful poverty reduction tool, and data consistently demonstrates that recipients overwhelmingly use the funds to support critical basic needs like food, rent, utilities and childcare. And yet while the intervention has struggled to gain traction in the U.S., San Diego launched a pilot program that will provide more than 150 low-income BIPOC families with young children with \$500 per month for 2 years. Additionally, efforts are underway to advocate for sustained investments that provide much more direct and cost-efficient support to families in need when compared to “deficit-based” social service programs.

We modified several of our programs including our Mission Support general operating grants and Innovation Initiative to explicitly anchor racial equity. These grant programs will also now utilize trust-based philanthropy principles like multi-year, no-strings-attached funding cycles, and incorporate paid resident leaders directly into our decision-making paradigm.

We made multiple investments in the housing continuum including homeless housing for veterans, affordable housing for residents earning below 80 percent of Area Median Income, an innovative Community Land Trust “rent-to-own” project, and workforce housing coupled with first-time homebuyer assistance grants.

We helped the Imperial Valley Wellness Foundation bring in nearly \$1 million in COVID-19 rapid relief funding for nonprofits, as well as hire their first Executive Director, Roque Barros who is providing critical community-building and strategic leadership for this under-resourced rural county.

And, **we continue to support the expansion and sustainability of community-based healthcare workforces** to improve the linkage and coordination of SDoH interventions that are critical to overall health outcomes.

None of this work would be possible without the incredible San Diego and Imperial County non-profit community, public partners, and the multiple funding collaborators with which we are honored to work. And of course, our incredible staff and board who impress me every day with their dedication and commitment to AHF’s purpose.

We have made great progress, however, we are always actively evolving, growing and stretching ourselves. AHF’s clear commitment to generative thinking and continual evolution is one of the things I deeply love and value about the long-standing culture at this organization.

Thank you for joining us on our journey.

Sincerely,

Sarah Lyman
Executive Director

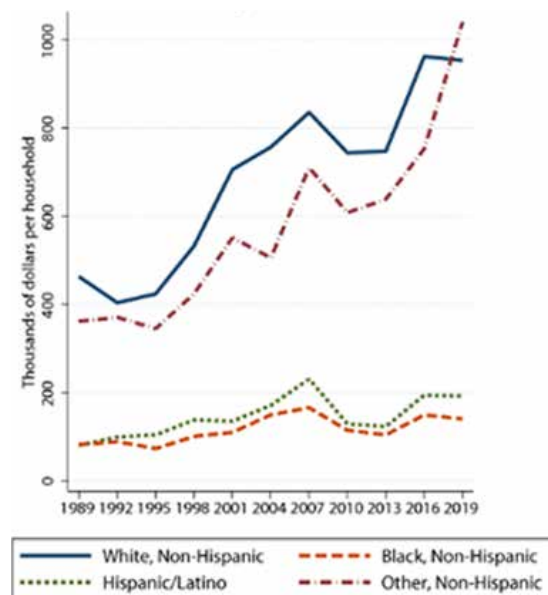


Addressing Root Causes of Health Inequities

Evidence links greater wealth and financial stability with better health. People with greater wealth and income tend to live longer, have lower rates of chronic disease and have more favorable health outcomes. Income, wealth and education, along with their behavioral effects, are stronger predictors of a person's future health status than genetics, access to health care or physical environment combined.

Unfortunately, wealth and income in America are [unequally distributed by race](#).

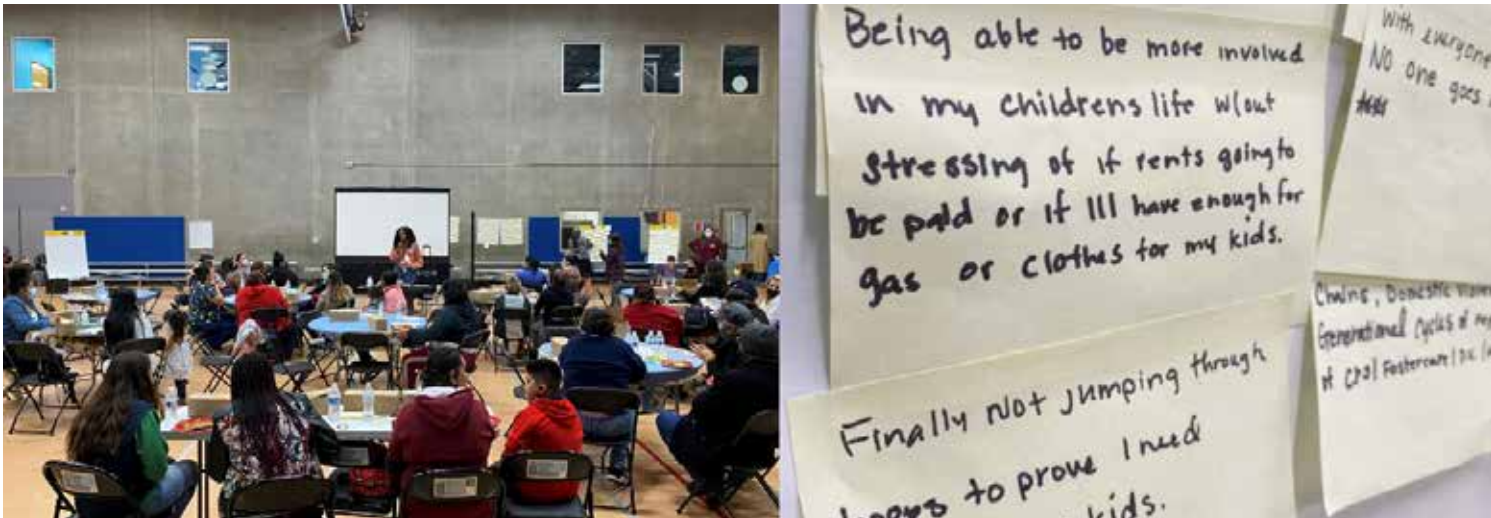
Average Household Net Worth by Race



Source: Survey of Consumer Finances, U.S. Federal Reserve System

To address the fundamental “upstream” social determinants of health, Alliance Healthcare Foundation (AHF) launched the Economic Mobility and Security Initiative.

Advancing Economic Mobility and Security



Source: San Diego for Every Child

Providing Guaranteed Income (GI)

Lead Partners: Jewish Family Service of San Diego; San Diego for Every Child

Direct cash assistance is a proven trust-based strategy to reduce childhood and family poverty. After significant surveying of opportunities, AHF provided anchor funding and leadership to support a San Diego Guaranteed Income pilot program that is providing more than 150 low-income, majority BIPOC families with children with \$500/month for 2 years. Expected results from this GI pilot include improvements in income volatility, self-reported mental and physical health, sense of wellbeing, effect on children, stress and other financial security measures. Given broad statewide and national attention for the GI movement, we hope to leverage

AHF's funding by at least 20x or more to provide direct cash payments to families in need in San Diego and Imperial Counties, and to contribute meaningfully to the broader field of GBI (guaranteed basic income) expansion advocacy.

Creating Equitable Workforce Pathways

In collaboration with [San Diego Workforce Partnership](#), we are funding new equitable pathways to living-wage, quality job attainment in healthcare. Expanding the promising Income Share Agreement model is one way to support sustainable access to up-skilling opportunities.

Also, through our impact investment portfolio, we are excited to join [Project Equity](#) and [Mission Driven Finance](#) in expanding employee ownership models for small businesses with majority BIPOC employees. We know that worker ownership is an evidenced-based wealth generation tool for front-line workers and their families.



Investing in the Housing Continuum

Lead Partners: Casa Familiar, Hitzke Development, Mission Driven Finance, Bridgedeck, LLC, Hilltop LLC, Yes in God's Backyard (YIGBY)

Through our grantmaking and Impact Investment portfolio, AHF is an active investor in the housing continuum in San Diego, one of the primary social determinants of health.

As one of the least affordable places to live in America, San Diego's housing production has been massively under-paced by the rate of economic and population growth for decades. It is estimated that we need over 130,000 units of new affordable housing units to meet the current need. ([Affordable Housing Needs 2021 Report/California Housing Partnership](#))

Several of our recent grants and impact investments are aligned with the strategic priority of adding more attainable housing units to San Diego's supply, including homeless housing for veterans; low-income affordable housing for families earning below 80% of the Area Median Income, and workforce housing for the "missing middle."

AHF also provided initial funding to conduct a feasibility assessment on an innovative lease-to-own homeownership model for low-income San Diegans utilizing a Community Land Trust model to simultaneously preserve perpetual affordability of housing while building long-term wealth through home ownership.

Each of our recent housing projects is positioned to disproportionately support people of color, recognizing the historic and systemic barriers to stable housing that have plagued BIPOC populations for generations.



Yes In Gods Backyard (YIGBY): 26 units of new housing for homeless veterans



Naturally Affordable Housing-Bridgedeck: 199 units of new affordable housing for individuals and families living at 50-60% of area median income (AMI)



Hilltop Encanto LLC: 47 units of new workforce housing for families living at 120-150% AMI

Supporting the Safety Net

Mission Support

Mission Support grants provide unrestricted, core operating dollars to nonprofit organizations as a way to practice trust-based philanthropy.

Last year, we broke tradition from the past 11 years to transform our Mission Support Program into a multi-year grant cycle. We decided to invest \$2.7 million over three years and refresh the evaluation criteria using an explicit racial equity lens.

Fundamentally, the principles behind the Mission Support Program have remained the same over time: AHF aims to provide flexible, core operating funding to organizations that advance health and wellness for our communities. However, in light of COVID-19 and the long-standing structural inequities it continues to highlight, coupled with a national racial reckoning, our current Mission Support funding now explicitly prioritizes communities that continue to be disproportionately impacted by these dual pandemics.

We conducted a survey from 126 of our partner organizations to get their insights on ways to enhance and re-design the program. This included technical elements such as the format of the application to the aforementioned priority areas.

Some major changes to the program included requiring that BIPOC (Black Indigenous People of Color) communities must represent at least 50 percent of the population that organizations serve, and inquiring about organizations' journey of racial justice and healing.

In the 2020-2021 fiscal year, AHF awarded multi-year grants to 31 nonprofits throughout San Diego County that are closest to the communities most impacted by these inequities.

Among all awarded Mission Support grantees, 73.1 percent of the populations served are BIPOC.

Additionally, due to the transition from an annual cycle to a three-year grant cycle, we are better suited and intentional about building relationships and partnerships beyond financial resources.

Don Wells, Chief Empowerment Officer for Just in Time Foster Youth, provides an analogy for our Mission Support Program:



“It’s like asking our youth to plan for the future but they can’t because they have immediate needs. Multi-year support that we provide through our program allows them to look long-term.”



Source: Suzie's Farm/San Diego Food System Alliance

Leveraging Limited Resources

AHF launched a Capacity Building Program, which has already proven to be an important and nimble way for us to engage with our community partners on strategic priorities.

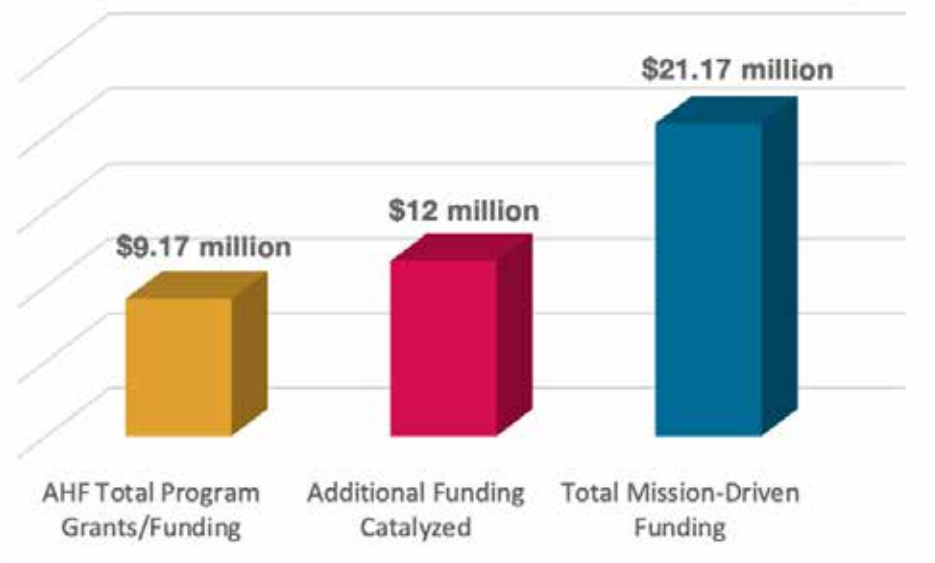
One of the primary goals of the Capacity Building Program is to support our partners in attracting and leveraging outside dollars to San Diego, which is what we consider “growing the pie.”

We provide grants towards critical capacity needs including technical assistance, grant writer support, consultations and backbone support, with the high possibility of bringing in additional resources to the region.

The chart below illustrates how we have been successful at leveraging both our capacity building and other investments to have an outsized impact on issues we care about and the populations we serve.

Catalyzing More Impact Through Leveraged Funding

Leveraged funds in FY20-22 more than double AHF's grantmaking



GRANTEE STORY

San Diego Refugee Communities Coalition

When communities come together, positive transformation is possible. At the beginning of the COVID-19 pandemic, 11 front-line refugee organizations in City Heights got together and formed the San Diego Refugee Communities Coalition. Over these last two years, the Coalition has served thousands of vulnerable, low-income refugees with the shared understanding that refugees need to be empowered to address the problems, solutions and outcomes for health and other disparities in their communities. After initial seed backbone funding from AHF and a few other funders, they were able to build enough capacity to attract and deploy millions of dollars in funding to support their coordinated efforts. The Coalition, which is trusted by and embedded in some of the hardest-to-reach communities, has gone on to secure its first-ever County contract for Community Health Workers.



“Our community is over-researched by external experts, and our voices are underrepresented in decision-making... We felt it was important for us to build our own shared power and vision for equity.”

Amina Sheik Mohamed

Founding Director of the Refugee Health Unit at the Center for Community Health, University of California, San Diego



Source: San Diego Refugee Communities Coalition

Responsive Grants

Urgent and time-sensitive needs happen for everyone and nonprofits are no different. Our Responsive Grant Program aims to fill that gap. Available as nonprofits' "rainy day fund" for emergencies and unexpected circumstances, these grants respond to urgent needs of our communities.

Unlike some of our other funding programs in which we apply an intentional racial equity lens, responsive grants are approved based on the need and the challenge it presents to the nonprofit if not funded. In the 2020-2021 fiscal years, we granted \$620,000 in responsive funding. Grants are up to \$25,000 and are available until funds run out

GRANTEE STORY

San Diego Oasis

Keeping seniors connected to family and friends through technology is just one of the many learning opportunities available through San Diego Oasis. At the onset of COVID-19, we provided a rapid response grant to San Diego Oasis to help close the digital divide for senior individuals who were experiencing isolation and an abrupt disconnection from in-person services that had disappeared overnight due to the pandemic. James (L) and Gerald (R) never used digital technology before. They took tablet training together at San Diego Oasis to learn how to send emails to family and friends, and stay connected to important services and information during a time when almost everything became virtual overnight.



Source: San Diego Oasis

COVID-19 Response

Like many funders, we shifted a significant amount of funding to support COVID-19 relief and response efforts, including:

- [San Diego COVID-19 Community Response Fund](#) through San Diego Foundation
- [Black Business Relief Fund](#) to help under-resourced businesses in vulnerable communities, initiated by the [Central San Diego Black Chamber of Commerce](#)
- [San Diego Refugee Communities Coalition](#) in support of 11 grass-roots refugee organizations to coordinate and scale their outreach to under-served communities
- [Imperial Valley Wellness Foundation COVID-19 Relief Fund](#), which leveraged and re-granted more than \$850k in rapid response funds for urgent community needs
- [First anchor funder in the San Diego COVID-19 Small Business & Nonprofit \(No-Interest\) Loan Program](#) through San Diego Foundation which helped many businesses and nonprofits meet their ongoing operational expenses
- [No/low-interest loan fund](#) to support gap financing for Federally Qualified Health Centers (FQHCs) and community-based clinics
- Various other emergency bridge funding for local non-profits impacted by COVID-19

Advancing Sustainable Innovation

Transformational solutions to longstanding challenges

Innovation Initiative (i2) \$1 Million Challenge Grant

One of the most efficient ways we can support population health improvement is by helping innovations succeed, scale and achieve sustainability. We believe that your zip code, race, socioeconomic status, gender or ability should not determine your life expectancy. Through the i2 program, we help nurture and

scale sustainable solutions aimed at closing gaps in health equity. We have supported (and have continued evolving) this initiative since its inception in 2010.

Our 12-month capacity building and mentorship of 2022 i2 candidates is underway, with a finalist expected to be announced at the end of the calendar year.



INNOVATION INITIATIVE

Bold Transformation

Top 10 i2 Semi-Finalists



2017 I2 GRANTEE

Somali Family Service of San Diego (SFSSD)

Somali Family Service was awarded the i2 challenge grant in 2017 to develop a unique audio-visually immersive educational experience to address measles, mumps and rubella (MMR) vaccine hesitancy within the underserved refugee and immigrant communities of San Diego. The program developed culturally-competent education content that community members experience via mobile devices, computers or through virtual reality (VR) headsets. SFSSD's successful experience with MMR education translated well to the COVID-19 pandemic for keeping their communities healthy and vaccinated.

At the time of this report release, SFSSD was announced as one of five finalists in the international XPRIZE Rapid Re-skilling competition for \$5 million. This is a 30-month competition to quickly re-skill under-resourced workers for the digital revolution.

Source: Somali Family Service of San Diego



2016 I2 GRANTEE

Interfaith Community Services

In 2016, Interfaith Community Services was granted an i2 award to develop a Recovery and Wellness Center which provides a safe short-term residential and outpatient treatment program for adults recovering from addiction who may have Drug Medi-Cal or no insurance. Interfaith has a public-private business model that has allowed them to be self-sustaining since 2019.

Prior to connecting with Interfaith, Ross shares, "My life was in shambles. Interfaith saved my life. I am now on the right path with sobriety, purpose, and a whole new outlook on life."

Source: Interfaith Community Services



2011 I2 GRANTEE

211 San Diego's Community Information Exchange (CIE)

After winning the i2 Challenge in 2011, San Diego's CIE has become a national leader in activating the intersection of health and social services through cross-sector information sharing and coordinated care. With 100+ partners and more than 280,000 clients in its database, CIE has become a revenue-generating, sustainable model for the rest of the U.S. to replicate. We continue to maintain a strong, supportive partnership as CIE continues to grow, scale and evolve to changing marketplace dynamics and community needs.

Source: 211 San Diego-CIE



Shifting Wealth and Power: Imperial Valley Wellness Foundation (IVWF)

The generational socio-economic and environmental abuse and neglect of Imperial Valley by outside opportunists and stakeholders (including government, business and philanthropy) has resulted in widespread, chronic health and wellness issues including asthma, “diabetes,” poverty, and a toxic environment.

Recognizing that small grants to local nonprofits in this rural region would not result in meaningful health improvement, AHF embarked on a collaborative and intentional strategy to transfer wealth and shift power to the local residents of Imperial Valley through what is now called the Imperial Valley Wellness Foundation. With significant capacity-building funding and a commitment to transfer \$7.5 million (10 percent of AHF’s entire endowment) with matching support, IVWF is building roots and activating local community members to envision and realize a better future for the region they call home.

Now in its third year of operation as an independent and locally managed 501(c)(3) charity in Imperial County, IVWF continues to build relationships and work collaboratively

across multi-sectors at the local, southern CA border region and state levels. Thanks to the efforts of Roque Barros, inaugural Executive Director, IVWF is being seen as a trusted convener, connector and changemaker for this rural border region.

Current projects:

- Co-convening the Southern CA Border Region’s proposal process for the CA Community Economic Resilience Fund.
- Serving as lead for outreach for the San Diego State University-Imperial Valley Advanced Battery Manufacturing Hub proposal.
- Developing a Learning Partnership of multi-sector stakeholders in support of building overall community capacity for engaging and mobilizing community members; participating in important community and County meetings, and identifying and advocating for community priorities.
- Building a Rural Funders Network that can collaborate on projects for greater impact at the local and regional levels.



Roque Barros
Executive Director
Imperial Valley Wellness Foundation



**“LOCAL CHALLENGES ARE
OFTEN BEST ADDRESSED
BY THOSE CLOSEST TO THE
ISSUES. THIS IS TRUST-BASED
PHILANTHROPY AT WORK.”**

Sarah Lyman
Executive Director
AHF

Healthcare Transformation: Community-Based Care Coordination

By linking healthcare systems with community-based organizations, we can achieve better individual health outcomes; lower costs, and improve population health. There are several exciting opportunities on the horizon in California to change how care is delivered, including a five-year transformation within the Medi-Cal program (known as CalAIM) to advance equitable, coordinated and person-centered approaches to care delivery, and a new Medi-Cal benefit to reimburse for services provided by Community Health Workers (CHWs). To scale and sustain this critically important CHW workforce here in San Diego, AHF is partnering with the [California Health Care Foundation](#) to co-fund a cohort of local community-based organizations to support their ability and efforts to engage with managed care plans in the region to implement this new CHW benefit.

GRANTEE STORY

Neighborhood Networks

Neighborhood Networks, an initiative of the [San Diego Wellness Collaborative](#), has achieved financial sustainability since our initial pilot grant in 2019. Neighborhood Networks serves as a “hub” that connects healthcare and community-based organizations. They contract with partner organizations and provide a variety of management services, including specialized training for Neighborhood Navigators (CHWs/Promotores de salud); a secure centralized online case management system; quality assurance, and reporting.

As California undergoes several exciting transformations in how care is delivered and paid for, Neighborhood Networks has the strong potential to be leveraged as an effective “hub and spoke” model that can support Community Health Workers through grass-roots and place-based community-based organizations (CBOs) to maximize these new funding streams and opportunities.

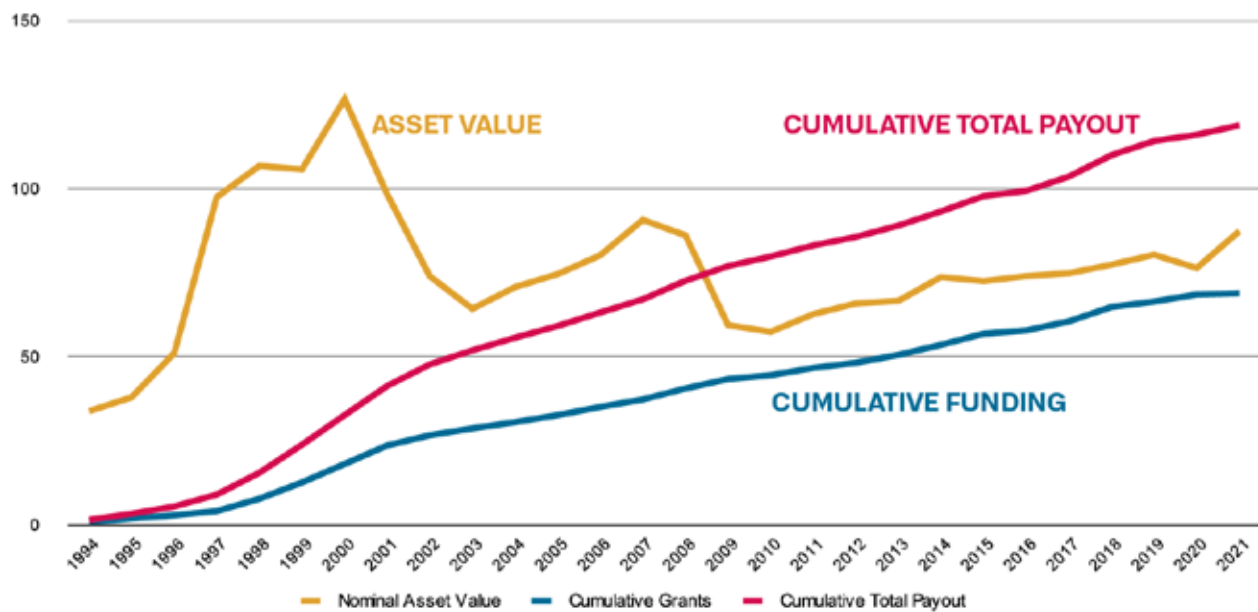
Neighborhood Networks’ innovative model and approach has received local and national recognition, and was featured in a [2020 article in Health Affairs](#).



Source: Neighborhood Networks

AHF'S Financial History

The chart below tells the story of AHF's financial history, including asset value over time, cumulative total payout and cumulative grant funding.



Active
Impact
Investment
**\$5.3
Million**

Meet Our Trustees

Dear Friends,

At Alliance, we envision a region where equitable health resources lead to universal health and well-being. We work to advance health and wellness for the most systemically marginalized and under-resourced communities in San Diego and Imperial counties.

We advance this work through funding, convening and advocacy with other funders, nonprofits, social enterprises, government and community agencies. And, we believe that solving our most intractable health and equity challenges requires a bold, intentional and sustained effort in collaboration with others.

As a board, we are always learning and asking, “how can we do things better”? For the past three years, we’ve been on a journey to more explicitly advance racial equity; improve how we anchor community voice in our work, and focus more deeply on upstream social determinants of health.

I’m proud of our organizational culture of learning and innovation. On behalf of my fellow trustees, we invite you to think and act boldly with us in pursuit of a more equitable and just society.

Killu Sanborn, Ph.D.,
Board Chair



Board of Trustees

- Killu Sanborn, Ph.D. - Board Chair; Managing Director at Oxford Finance
- Dwight D. Smith, Esq. - Vice Chair; Executive Vice President & General Counsel for Neighborhood House Association
- Rodney G. Hood, M.D. - Secretary; Vice Chairman of National Medical Associations' Cobb/NMA Institute
- Atul Patel –Treasurer; Senior Vice President of PriceSmart
- Alethea Arguilez - Executive Director of First 5 San Diego
- James Beaubeaux - former CFO/COO for San Diego County Medical Society
- Elizabeth Dreicer - CEO, Kuity
- Dale Fleming - (retired) Strategy Director, County of San Diego Health and Human Services Agency
- Julianne R. Howell, Ph.D. - Senior Health Policy Advisor, County of San Diego Health and Human Services Agency
- Ilene Klein, M.D. - President, Krysalis Consulting, LLC
- Robert B. McCray, J.D. - Member, MacroHealth Board of Directors
- Joe Ramsdell, M.D. - Distinguished Professor Emeritus, General Internal Medicine at University of California, San Diego
- Jeffrey Willmann -Chairman, World LifeFlight, Inc.; Senior Vice President, Innovation, Med Data Quest & MDQ SmartCare

Committee Members

- Deborah M. Higgins - President of Higgins Capital Management, Inc.
- James Howell, CFA, CTP - Chief Financial Officer of The San Diego Foundation
- Kim Davis King - Partner, Launch Factory
- Shannon Nelson - Vice President, Investment Stewardship, BlackRock, Inc.

Staff

- Bryan Fisher - Director of Operations
- Erin Graham - Controller
- Min Kim - Program Officer
- Sarah Lyman - Executive Director
- Joshua Mbugua - Fellow, Impact Investment
- Arthur Roke - CFO and Chief Investment Officer
- Karen Winston - Communications Director
- Garrick Wong - Senior Director of Strategy

Looking Forward

We believe that all people have a desire and basic human right to be well. Health equity exists only when people can attain their full health potential, regardless of resources, circumstances, skin color or identity. This potential can only be reached when we reduce—and ultimately eliminate—the disparities that adversely impact marginalized and under-resourced communities.

As we reflect on the last two years, we're thankful for your partnership and collaboration. Our work is not done. We look forward to our continuing efforts with you toward making health equity a reality.



Source: Neighborhood House Association; Interfaith Shelter Network; Monarch School

