

Farash fund due to boost charity

The Farash Foundation is about to begin in earnest the process of parlaying a real estate fortune into a philanthropic boon for Rochester-area nonprofits.

The local foundation, one of the largest in upstate New York, expects to make its first big round of grants in 2012, with at least \$7 million on offer. The charitable group is detailing its plans at an inaugural breakfast Friday for community leaders.

The foundation, with net assets of about \$175 million, will focus initial grantmaking on education, entrepreneurship and Jewish life.

"While certainly there are much larger foundations in the United States, for a community like the greater Rochester area, this is a significant opportunity to really do something not only with new initiatives but on existing needs in the community that are known," said foundation board chairman Nathan J. Robfogel.

The full vesting of the Farash Foundation gives Rochester three of the 10 most generous private foundations in upstate New York, according to research by the *Democrat and Chronicle*.

The Greater Rochester Health Foundation, formed in 2006 as the result of a merger of two health-insurance firms, made grants

totaling \$4.3 million last year. The Wegman Family Charitable Foundation, drawing on the estate of the late Robert B. Wegman, gave away nearly \$8 million in 2010.

Jennifer Leonard, president of the Rochester Area Community Foundation, said the rise of three sizable private foundations is a welcome supplement to corporate giving, which has been in decline.

"This will provide a special opportunity for the future of our community," she said. "Rochester will now look more like communities such as Hartford and Indianapolis where private philanthropies have made a huge difference in the civic fabric."

NE city roots

The roots of the Max and Marian Farash Charitable Foundation can be traced to northeast Rochester, where Max M. Farash immigrated with his mother and siblings from what now is Macedonia. His was a

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classic self-made-man story: Starting with nothing, Farash became the area's most prominent property owner. He built and managed roughly two dozen apartment and townhouse complexes with 5,000 units in Monroe and Ontario counties and in Florida, and owned other commercial developments.

He and his wife, Marian M. Farash, made plans many years ago to leave nearly all of their assets to a family foundation when they died. They stipulated that half of the foundation's giving should take place in Monroe and Ontario counties, and half should go to honor and support their Jewish faith.

For years, the foundation's annual giving was a modest \$200,000 or so, and family members directed the money to favored nonprofit groups. But after a court-appointed guardian took over management of the Farashes' financial affairs in 2007, outside trustees joined the foundation board and planning began for the couple's eventual passing.

Marian Farash died in July 2007 at 89, and Max Farash in February 2010 at age 95. The bulk of his assets were turned over to the foundation in January.

The foundation now has beefed up its board, hired a staff of four, created a website and moved into office space in a building it owns on East Avenue downtown.

Board members and staff also spent a good deal of time devising policies and

strategies.

"Transitioning from a \$5 (million) to \$10 million charitable foundation to a \$200 million enterprise is not something that's done overnight," said Hollis S. Budd, the foundation's executive director.

Giving by the foundation has ramped up over the last two years. For instance, the foundation donated \$550,000 in March to the Jewish Home Foundation for the creation of Marian's House, a retreat for people suffering from Alzheimer's disease and memory loss.

But much grander giving begins in 2012. By law, foundations must spend an amount equivalent to 5 percent of their assets on grants and grant administration each year, which for Farash translates into \$7 million to \$8 million in 2012.

"Our hope is that we will be able to make investments that really are going to transform," said Isobel Goldman, Farash's director of grants and programs.

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Most of the foundation's assets are in the form of Farash apartment complexes, with rental payments providing the bulk of the revenue used to cover expenses and make grants.

To help set priorities for distributing that money, Budd and Goldman met with more than 70 nonprofit groups, and government and business leaders. "We decided to make the community part of our strategic planning team. It has been most interesting and gratifying," Goldman said.

Drawing on that input, the board and staff came up with five priority categories — education, social and business entrepreneurship, Jewish life, arts and culture, and human services. The foundation is not now accepting grant applications in the latter two categories, but may ask specific nonprofits to apply.

A sophisticated grant-management system that allows nonprofits to apply for funds online will be rolled out shortly.

Repairs fund

Foundation officials also will make some grants to programs of their own choosing, will continue support to groups that the Farashes traditionally favored and will maintain an emergency building-repair fund to help nonprofit organizations.

The fund, recently tapped to repair a burst boiler in a Catholic Family Center shelter, is a special memorial to Farash, who often volunteered funds or his company's

building-maintenance expertise.

"You have no idea the kind of impact he had in this community making gifts such as that," Budd said.

In accord with the Farashes' wishes, grants to Jewish groups and interests will be significant. The board recently gave funds for a café in Temple Beth El and a library at Congregation Light of Israel, for example.

Education, which foundation officials said was a special interest of the Farashes, may well come in for extra attention. Robfogel said officials met recently with interim Rochester school superintendent Bolgen Vargas, for instance.

"That's the start of a dialogue that we think is going to lead to something that will be of significance in terms of public education," Robfogel said. "We have a strong commitment to working in that area."

Leonard said she has met with Farash

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leaders, who intend to work closely with other local foundations.

"I'm excited. They'll bring fresh thinking to local philanthropy and a real open attitude to collaboration," she said. "I think they are very committed to our community, as Max was very committed to our community."

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Largest foundations

The largest upstate New York private foundations by annual giving. This list is based primarily on data compiled by the Foundation Center, a New York City-based group that tracks philanthropic giving worldwide. Figures are for 2009 or 2010 fiscal years, whichever was the latest available. The Farash Foundation is expected to start giving in the \$7 million to \$8 million range in 2012, which would put it on a par with the Wegman Foundation.

William and Sue Gross Family Foundation, Albany
\$25,806,887

Park Foundation, Ithaca \$17,719,762

Dyson Foundation, Millbrook \$17,585,296

John R. Oishei Foundation, Buffalo \$11,491,000

Charitable Leadership Foundation, Clifton Park
\$9,980,833

Maguire Foundation, Albany \$8,345,183

Triad Foundation, Ithaca \$8,247,023

Wegman Family Charitable Foundation, Rochester
\$7,932,022

LAMB Pain Foundation, Saratoga Springs \$4,632,287

Greater Rochester Health Foundation, Rochester
\$4,330,637

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