Strengthening Investment in Community Priorities: A Systems Approach

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Team

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What does it take for a city to attract and deploy capital to advance its priorities?
Community investment as a heroic quest
Why is community investment so hard?
Three functions of the community investment system

**Strategic Priorities**
Ensure there is a coherent, community-endorsed vision to shape investments

**Pipeline**
Generate deals and projects that add up to the realization of the community’s strategic priorities

**Enabling Environment**
Shape the context that promotes or impedes the execution of the pipeline
### Rethinking the community investment system

<table>
<thead>
<tr>
<th>FROM:</th>
<th>TO:</th>
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<tbody>
<tr>
<td>What can be financed ...</td>
<td>What we prioritize ...</td>
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<tr>
<td>Transactional</td>
<td>Systems/ecosystem</td>
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<tr>
<td>Single projects</td>
<td>Pipelines of projects</td>
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<tr>
<td>Gap filling</td>
<td>Ambitious and scaled</td>
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<td>Reductionist, siloed</td>
<td>Integrative, adaptive</td>
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Common Error Patterns

• Assume lack of capital is the problem
• Assume a pipeline of investable deals
• Develop technical solutions to adaptive challenges
• Build from investor needs, not community priorities
• Focus on $ at the expense of other resources
• Leave finance to the finance people
**Approach in Action: Los Angeles**

**CONTEXT**
- Major transit expansion: opportunity and threat
- Regional collaborative lacked staff
- Fragmented efforts

**SHIFT IN MINDSET AND PRACTICES**

- **LA Metro sees the light**
  - Policy: 35% @ 60% AMI
  - $9.5M investment
  - Discounted land

- **Pipeline for Cap and Trade**
  - System extended to communities that had been unable to attract capital

- **Using the Framework**
  - Community foundation goes beyond TOD
  - Preservation, supportive housing
Approach in Action: The Bay Area

CONTEXT

- Top community investment system but growing affordable housing crisis
- Great Communities Collaborative: the challenge of “sufficiency”
- BART-owned land!

ANTICIPATED REGIONAL RESULTS

- People Have Increased Opportunities
  - 10,000 units of affordable housing near transit change lives by providing access to jobs and amenities

- Disinvested Places Experience Catalytic Investment
  - Regional resources and capacity are put to work in communities that have been unable to attract capital

- Capacity for Change Grows
  - New stakeholders contribute to cross-sector collaboration, building a strong foundation of trust and creating an ongoing platform for innovation
Approach in Action: MA Working Cities

CONTEXT
• Cross-state Fed-led collaborative challenge
• Underperforming post-industrial cities with little access to strong metro Boston CI infrastructure
• State level initiatives to focus on these cities

ANTICIPATED REGIONAL RESULTS

Working Cities are Seen as Investable Opportunities
• Analysis of CI in the Working Cities and engagement of a statewide Working Group of stakeholders highlights opportunities for investment outside of metro Boston

Increased Capacity for CI in the Working Cities
• Capacity-building and/or financing activities are identified that lead to transformative change in how CI in the Working Cities functions

New Relationships Promote Innovation
• New partnerships and relationships within and across mixed-use and small business communities lead to innovative investments and programs supporting the Working Cities
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Or visit [www.kresge.org/library/community-investment-focusing-system](http://www.kresge.org/library/community-investment-focusing-system)