Strengthening Investment in Community Priorities: A Systems Approach

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Team

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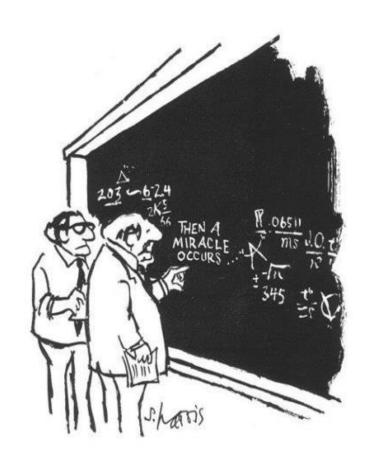
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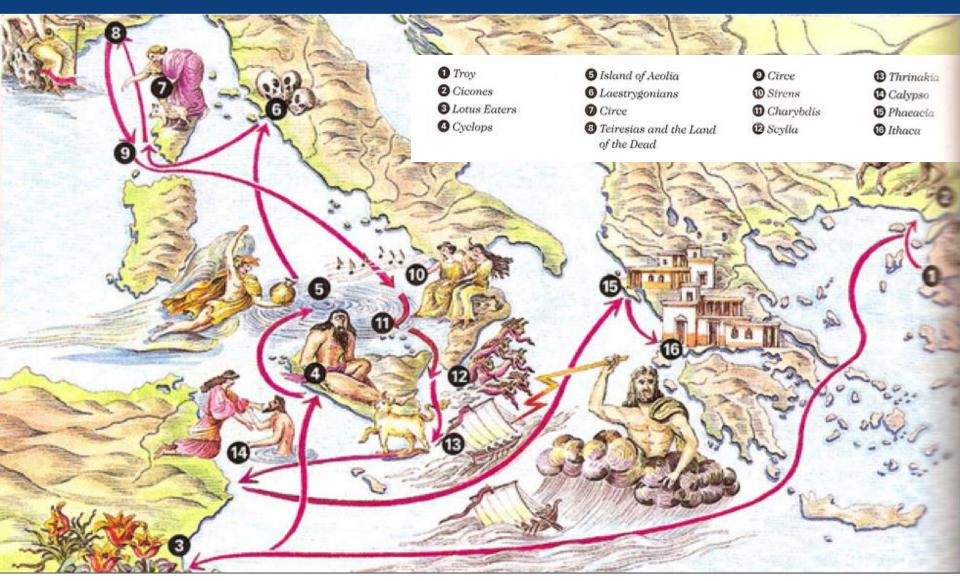
Strategy Lift

What does it take for a city to attract and deploy capital to advance its priorities?

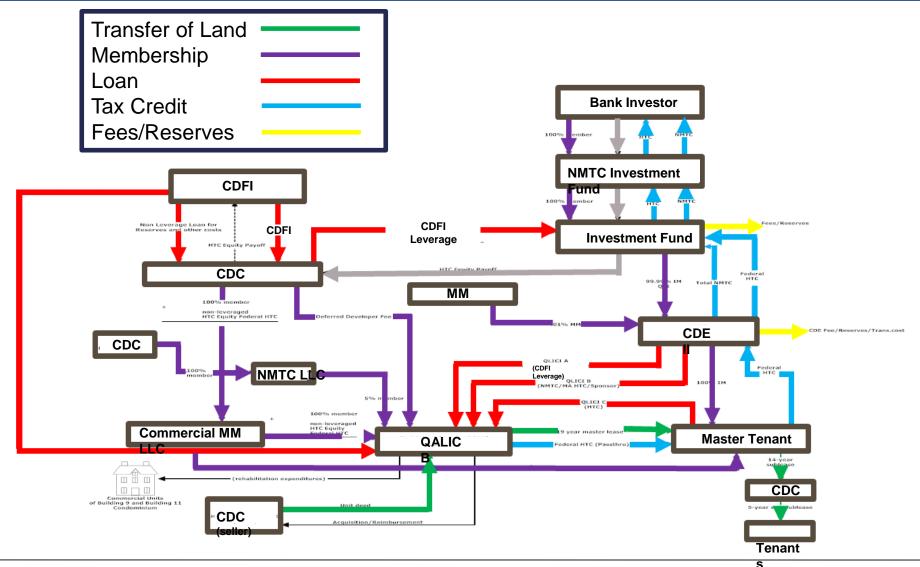


"I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO,"

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

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Rethinking the community investment system

FROM:		TO:	
	What can be financed	2 1 3	What we prioritize
•••	Transactional		Systems/ecosystem
	Single projects		Pipelines of projects
\longrightarrow	Gap filling		Ambitious and scaled
Å	Reductionist, siloed		Integrative, adaptive

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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 postindustrial 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

For more information:

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Or visit <u>www.kresge.org/library/community-investment-focusing-system</u>