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AT HARVARD UNIVERSITY

Community Investment Capital Absorption: an Overview

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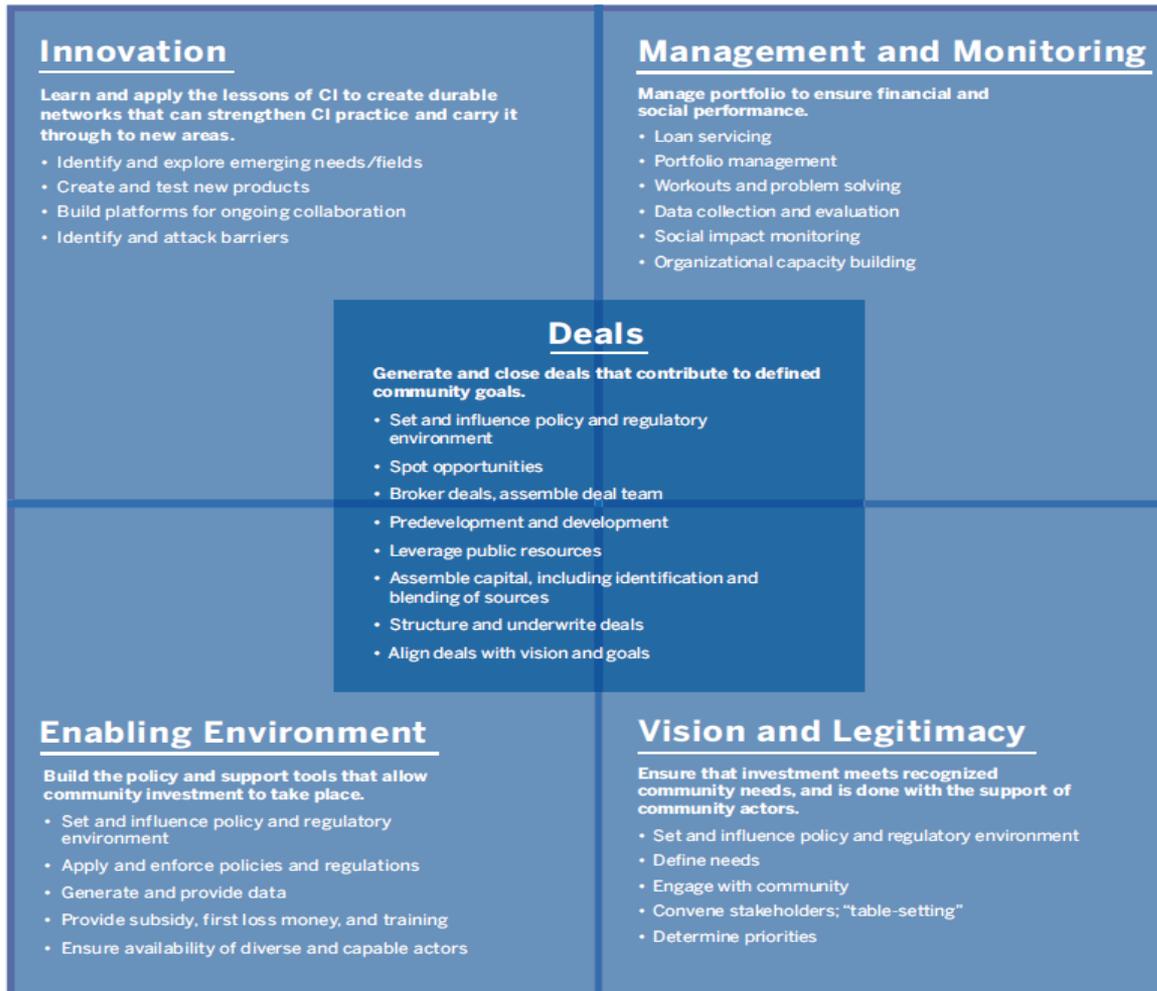
Why Capital Absorption

- Living Cities and the Integration Initiative
- Preliminary Interviews:
 - Industry Leaders
 - Chicago
 - Atlanta
- The question: how do cities help direct private capital for community development purposes?

Two Propositions

- Community investment is better understood as a set of functions rather than a network of institutions
- A multitude of local, regional, and national institutions may actually, and ideally, best perform these functions in a given place

A Framework for Analysis and Discussion



Functions

- **Vision and Legitimacy:** stakeholders agree on and support investments that meet community needs
- **Enabling Environment:** systems in place that direct capital to community purpose
- **Managing and Monitoring:** investments target and meet financial and social goals
- **Innovation:** collaborative structures to find new areas to develop, build more effective collaboration
- **Deals:** generate and close deals that meet community investment

Key Questions

- What information do we need to better understand capacity?
- How do we match functions with institutions in a given place?
- Are there unifying types of actors – the superconnector?
- Can we use the Framework to better identify where to commit resources for building more capacity?

Ongoing work

- Applying the Framework to specific places
- Engaging public sector officials on community investment capacity building
- Better understanding the intersection of local and extra-local actors in community investment
- Big bets -- the role of large-scale community (re)development projects in building capacity