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Blueprint Local: Creating Wealth-Building Ecosystems In Local Communities



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Entrepreneurs



Ross Baird BLUEPRINT LOCAL

The post-Great Recession recovery has been very very good to a handful of cities in the U.S., while job growth and investment in smaller urban areas has lagged. At the same time, there's been an increasing interest among investors of late in place-based investing. Also, newly designated Opportunity Zones make developing certain economically-distressed communities more appealing.

With that in mind, Ross Baird, founder of [Village Capital](#), just announced the formation of [Blueprint Local](#). Its goal: to rebuild local communities by bringing together local capital, entrepreneurs, commercial and residential real estate developers, community organizers and others through funds targeting certain geographic locations. The exact number of funds is yet to be determined, but the intended result will be the creation of viable local ecosystems with long-term staying power.

“We’re setting up a series of funds that invest in specific ecosystems—a pool of capital investing in a range of opportunities, from commercial real estate to housing to growth businesses,” he says.

Partners include wealth manager [Brown Advisory](#), [Admiral Capital](#), a \$1.4 billion real estate and private equity firm co-founded by David Robinson, the former center for the San Antonio Spurs, [Access Ventures](#) and [ReThink Community](#).

The first fund, called Blueprint Texas, will focus on San Antonio and Austin. Baird chose those two cities, of course, quite intentionally. “They represent the two biggest challenges that American cities face,” he says. Struggling San Antonio, with a blighted downtown and large low-income population, needs a concerted effort to jumpstart sustainable economic development. Baird describes it as a “hollowed out city.” Austin, on the other hand, has experienced explosive growth and, as you might expect, widening income inequality, with extreme poverty in some areas and great wealth in others.

San Antonio also has another feature: It’s been designated as an Opportunity Zone, an economically-challenged community where new investments may be eligible for tax breaks under the Tax Cuts and Jobs Act of 2017. There are now some 8,700 low-income areas across the country that have been designated as Opportunity Zones, according to Blueprint Local. Future funds may also target other Opportunity Zones, according to Baird. While Opportunity Zones have received criticism, according to Baird, they also hold enormous potential for investors interested in strengthening local communities.

An increasing number of other investors have also stepped up place-based investing recently. Example: The Russell Family Foundation, which focuses on environmental protection and local community empowerment in the Pacific Northwest and Puget Sound. It recently ended a four-year effort to move from 7% to almost 75% mission-aligned investments. One impact consideration in its portfolio is place-based investing in such sectors as sustainable forestry and affordable housing.

Baird came up with the idea during a pilot he conducted with Access Ventures in Louisville. In that program, they organized “several millions of capital” in a low-income neighborhood, investing in over 20 buildings and businesses, from tech firms to bakeries, and creating around 200 jobs. “They were in one portfolio and they all interacted with each other,” he says.

That experience led him to the Blueprint Local model. Take downtown San Antonio. Just investing in developing dilapidated buildings wouldn’t do much for low-income people in the area, who might find themselves priced out of the area. “But if you were to invest in the physical infrastructure and the community and entrepreneurs creating jobs, then you can accomplish something,” he says.

Ultimately, Baird envisions the model as transforming communities. “The way to be truly transformational is to build wealth in neighborhoods that don’t have it,” he says. For example, under Opportunity Zone legislation, there could be a way to sell shares to tenants, allowing them to grow into owning the property.

Baird expects to target one to two more areas this year and is in the middle of a \$50 million fund-raising effort.



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