



## Capital Impact Partners

### Michigan Good Food Fund

[migoodfoodfund.org](http://migoodfoodfund.org)



#### ABOUT THIS PROJECT

The Michigan Good Food Fund (MGFF) is a public-private partnership loan and grant fund created to finance healthy food production, distribution, processing, and retail projects that benefit underserved communities throughout Michigan. The goals of the MGFF are built on other funds’ focus on healthy food access and include the development of local food systems that support economic development and job creation in low-income communities and produce “good food” — food that is healthy, green, local, fair, affordable, and accessible. The W.K. Kellogg Foundation led the development of the Fund, which included convening Michigan-wide food system stakeholders and identifying Capital Impact Partners as administrator and Fair Food Network and Michigan State University Center for Regional and Food Systems as food access organizations.

#### WHY WAS THIS NEEDED?

**Challenge:** Many healthy food enterprises – outside of traditional grocery stores – struggle to attract financing due to their size and lack of experience managing debt. Small loans – \$50,000 or lower – are often needed to finance equipment and minor renovations for smaller businesses focused on underserved urban areas.

**Solution:** Kresge’s investment backed the “Small Dollar Lending” vertical, which was designed to make debt available through local intermediaries for food enterprises that meet the Fund’s goals and are involved in production, aggregation, processing and distribution of healthy food in underserved communities. The Fund also offers business assistance to help entrepreneurs grow their ventures and prepare for traditional financing.

#### IMPACTED LOCATION



Michigan

#### YEAR APPROVED

2015

#### TYPE OF TRANSACTION

PRI Loan

#### KRESGE PROGRAM

Health and Detroit

#### AMOUNT OF INVESTMENT

\$800,000

#### GRANT SUPPORT

\$500,000

#### TERM OF INVESTMENT

7 years



## ABOUT THE BORROWER

Capital Impact Partners is a certified community development financial institution (CDFI) that provides credit and financial services to underserved markets and populations in the United States. The organization is among the largest CDFIs in the country. As of 2015, it had invested more than \$2 billion into senior care, affordable housing, health care, education and public nutrition projects in distressed and low-income communities across the country. These investments included the creation of more than 9,000 units of affordable assisted living; more than 35,000 units of affordable housing; 3 million square feet of health center space that supports more than 1 million patient visits annually; \$500 million for developing charter schools that create more than 200,000 seats for children; and healthy food retail in more than 60 locations.

## IMPACT MEASURE

As of 2019, \$13 million deployed to 92 businesses, 100% which offer healthy food.

## KEY PARTNERS:

W.K. Kellogg Foundation, Fair Food Network, Michigan State University Center for Regional and Food Systems

## Key Considerations



### Kim Dempsey

Deputy Director  
Social Investment Practice

- » The MGFF built on earlier lessons from other healthy food funds across the country and developed an intentional focus on the “upstream” parts of the system versus exclusively on supporting grocery stores.
- » Kresge’s Health Program’s overall food strategy was to shift the system in a direction that will achieve better health, sustainability, equity and economic outcomes for vulnerable communities
- » Meanwhile, the Detroit Future City Strategic Framework identified food production as one of two emerging economic growth opportunities for Detroit that would spur significant job and business growth as more land becomes available for productive use
- » In Michigan, more than 1.8 million residents—including 300,000 children—live in communities with limited access to nutritious fruits, vegetables, and dairy products.
- » The Michigan Good Food Fund represented a sequence of investments by the Detroit Program to strengthen the economic food cluster around Detroit Eastern Market and establish Detroit as a center for food-related jobs and production in the region.