



Enterprise Community Loan Fund (ECLF)

enterprisecommunity.org

ABOUT THIS PROJECT

ECLF will use the PRI to leverage additional impact capital from private individuals and/or entities to create a long-term pool of funds dedicated specifically to the inclusive and equitable revitalization of the Jefferson-Chalmers corridor in Detroit. This corridor runs east along the Detroit River, from the Marina district to the edge of the city. Its commercial corridor is located on Jefferson Avenue and the neighborhood include 164 acres of riverfront park land as well as historic homes. But the neighborhood lacks quality multifamily, affordable housing options. The result of ECLF’s fund will be two new multifamily projects, which will provide vital rehabilitated housing for residents who work along the Jefferson corridor, in the nearby downtown area or Jefferson North Assembly Plant.

IMPACTED LOCATION



Detroit, Mich.

YEAR APPROVED

2016

TYPE OF TRANSACTION

PRI - LOAN

WHY WAS THIS NEEDED?

Challenge: ECLF sees potential for revitalization along the East Jefferson Avenue Corridor in the Jefferson-Chalmers neighborhood. Initial public investments have supported streetscape improvements and property rehabilitation; however, gentrification threatens the prosperity of long-term residents if subsequent private investment does not consider the needs of the community. Although CDFIs and lenders are working in Detroit, there is a gap in the financing available for recapitalizing housing--especially small, multifamily properties. There is an opportunity to provide additional housing by executing adaptive reuse on vacant and dilapidated buildings.

Solution: To encourage inclusive development and respond to community need, Enterprise wants to make a long-term commitment to steward reinvestment in this neighborhood through this fund.



Credit: J. Lindsey

KRESGE PROGRAM

Detroit

AMOUNT OF INVESTMENT

\$3M

GRANT SUPPORT

\$150,000

TERM OF INVESTMENT

10 years



ABOUT THE BORROWER

Enterprise Community Loan Fund (ECLF) is the lending arm of Enterprise Community Partners (Enterprise) and is a CDFI – a Community Development Finance Institution. For more than 25 years, Enterprise has strategically blended capital, solutions and policy advocacy resulting in nearly \$10.6 billion of grants, loans and tax-credit equity invested in low-income communities across the country. Enterprise provides loans to develop affordable housing and community facilities such as charter schools and health facilities. Its investment has helped build and preserve more than 270,000 affordable homes, and more than two-thirds of the people served have incomes that are classified as extremely low or very low income. ECLF, meanwhile, is responsible for lending \$1.5 billion in capital in low-income communities since its founding and is one of the largest nonprofit loan funds in the country. ECLF lends to mission-aligned organizations, both for-profits and nonprofits, with strong track records in community development. It has helped build or renovate nearly 100,000 affordable homes nationwide.

IMPACT MEASURE

2 pre-development loans closed, 1 more approved

KEY PARTNERS

Jefferson East, Inc.

Key Considerations



Aaron Seybert

Social Investment Officer
Social Investment Practice

- » In 2016, Kresge launched an initiative called Kresge Community Finance to invest millions through a standard loan offering in Community Development Finance Institutions (CDFIs) and Development Finance Agencies (DFAs) working in ways aligned with Kresge program strategies.
- » CDFIs and DFA responded with requests for more than \$280 million in investment. Ultimately, 14 organizations received financing totaling \$30 million through PRIs – including the Green Bank.
- » Enterprise will leverage the Kresge PRI with other debt and its own internal sources by a rate of 5 to 1.
- » The underlying loans securing the fund will average a 24-36-month term bridging acquisition through construction and will be repaid once a project is stabilized and a permanent loan is secured. Enterprise will then recycle Kresge funds into additional projects in the Jefferson-Chalmers corridor.
- » ECLF's partner in this work, Jefferson East, is a well-regarded grantee of the Detroit program and has received more than \$800,000 in grant funding from Kresge in the recent years.