



E B I A R A
A Fund for Detroit's
Black and Brown Developers

Ebiara Fund



Groundbreaking for the Brooke on Bagley.

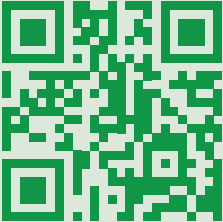

ABOUT THIS PROJECT

High potential minority developers are limited in their ability to access capital, which significantly reduces wealth accumulation and impedes economic impact in Detroit neighborhoods. The existing suite of creative financing tools that subsidize commercial real estate development in Detroit must function as both low-cost capital and equity. This puts pressure on these resources and slows the process to build capacity for developers in the growth stage. This investment with Invest Detroit Foundation creates an \$11 million fund, the Ebiara Fund, that will focus on providing minority-led development firms with funding to build capacity. Building up local, talented, and well-resourced developers will ultimately create greater economic impact for Detroit neighborhoods.

WHY WAS THIS NEEDED?

Challenge: This investment builds on many interventions that attempt to address capital constraints with debt products, including Kresge's own PRI and grant making. While all worthwhile efforts, recipients point to a common theme that impedes scale and wealth building — the lack of flexible capital that can grow operations and serve as project equity.

Solution: The Ebiara Fund will make equity-like investments, as well as provide technical assistance to accelerate a developer's ability to scale. Scaled development firms will result in development at scale for Detroit neighborhoods.

 ebiara.com	<p>IMPACTED LOCATION</p>  Detroit
<p>YEAR APPROVED</p> 2021	<p>AMOUNT OF INVESTMENT</p> \$10 million
<p>TYPE OF TRANSACTION</p> PRI Loan (with option to convert to equity)	<p>GRANT SUPPORT</p> \$250,000
<p>KRESGE PROGRAM</p> Detroit	<p>TERM OF INVESTMENT</p> 1.5% interest, exit at 12 years from closing date



Ebiara's first investment, the Brooke on Bagley, by Woodborn Partners.

ABOUT THE BORROWER

Invest Detroit is a mission-driven lender, investor, and partner that supports business and real estate projects that will ignite economic growth in Detroit and the region. As a local financial intermediary, Invest Detroit has deployed more than \$410 million and leveraged nearly \$2.9 billion in total direct investment to revitalize Detroit and the region. Its goal is to see Detroit be a thriving city that works for all and offers an improved quality of life, including inclusive housing, resourced and walkable neighborhoods, and equal opportunities for jobs and business growth. Invest Detroit has long contemplated building an equity fund for BIPOC developers after observing and having to manage through the racial and economic disparities in the real estate market throughout its nearly three decades of existence.

IMPACT MEASURE:

Expected to leverage at least \$200 million to benefit low-wealth Detroit neighborhoods and to grow BIPOC development firms ready to access institutional level capital.

KEY PARTNERS:

URGE Imprint

Key Considerations



Tosha Tabron
Social Investment Officer
Social Investment Practice

- » Kresge's Detroit Program team has made a series of investments to local CDFIs to address disparities that exist in real estate development, recognizing that the array of current capacity building programs supporting Black, Indigenous and People of Color (BIPOC) entrepreneurs does not focus on this industry.
- » Invest Detroit has been a key leader in the development and implementation of economic growth strategies in Detroit for 27 years.
- » Kresge also supports Invest Detroit through the \$250 million Strategic Neighborhood Fund, which sparks similar economic growth in neighborhoods.
- » URGE Imprint is led by a local BIPOC developer with significant market intelligence and experience. URGE Imprint is a Detroit-based management consulting firm and leads sourcing, financial analysis and ongoing client engagement.