



THE KRESGE FOUNDATION **Social Investment** PRACTICE

**We work to create a future
where the flow of capital
reaches every community.
Right now, this isn't the case.**

Low-income communities and communities of color across the U.S. find themselves cordoned off from the benefits of America's economic might. Whether due to the systemic racism baked into our financial systems or other persistent system failures and gaps, what's clear is that not all communities have equal access to financial opportunity, community development activity, or economic prosperity.

To combat this, Kresge's Social Investment Practice works within the strategies of its seven program teams — American Cities, Arts & Culture, Detroit, Education, Environment, Health and Human Services — to unlock capital for the places, projects, and people working to improve equitable outcomes. We believe all communities hold value and power and deserve investment. Our approach involves working from the ground up, investing in solutions that are community backed, and putting the needs of people and mission-drive organizations ahead of those of investors.

Impact investing tools such as program-related investment (PRIs) loans, guarantees, equity investments and deposits provide unique ways of addressing many problems, says Managing Director, Social Investment Practice Aaron Seybert. "As designed, traditional markets discriminate against low wealth places and communities of color," Seybert says. "That's simply unjust. Our team works to source capital solutions that are responsive to the needs of disinvested communities regardless of the perceived risk or current market expectations. We focus on what's right for people and then what works at scale for investors, not the other way around."

Communities are built on systems, including a complex and often under-resourced community development finance system. Community banks, credit unions, federal tax credit programs, nonprofits, developers, community groups, and community development financial institutions—these are but a sliver of the entities

and policies that make up this system. Magic happens when these players align themselves around the goals and projects of a low wealth community; it's then we see capital needs met in the communities traditional markets ignore.

"Whether you care about affordable housing, job creation, small business development, access to health care, the spread of green infrastructure or the local arts ecosystems, the community development finance system is a cornerstone to positive and equitable outcomes," Seybert says.

Kresge works within that the community development finance system to listen to communities, find out where they seek investment, and then to catalyze or de-risk those projects or funds for other investors. Kresge's impact investing began during the financial crisis of 2008 and has since increased exponentially. In 2015, Kresge's Board of Trustees approved a \$350 million impact investing pool that was fully committed by 2020. During that period, this work leveraged more than \$1 billion from other investors.

See a full list of our most recent investments inside and turn to the back page to see all of our active investments, as of May 2022.

By using the full spectrum of capital tools, we can help change people's lives for the better today and also try to influence the capital markets to serve communities of color and other under-served communities more effectively in the future.



BlocPower
\$3 MILLION GUARANTEE
Program: Environment
City: Brooklyn, New York
Area-served: New York State
blocpower.io

This guarantee supports BlocPower's goals of increasing energy retrofitting and "electrification" (elimination of on-site fossil fuel combustion) in the most disinvested neighborhoods in cities by supporting its ability to attract significant capital market investment. The guarantee also will support the first "whole-of-city" approach to these issues through BlocPower's partnership with Ithaca, New York.



Detroit Food Commons
\$2 MILLION PROGRAM-RELATED INVESTMENT LOAN
Programs: Detroit, Health, Arts & Culture
City: Detroit
detroitpeoplesfoodcoop.com

Develop Detroit has worked with the Detroit Black Community Food Security Network (DBCFSN) to undertake an ambitious plan to erect a community-owned grocery store in Detroit's North End neighborhood. This PRI loan supports the construction of the Detroit Food Commons, a transit-oriented development that will leverage more than \$19 million in debt, equity, and grants.



Edquity
\$2 MILLION CONVERTIBLE NOTE
Program: Education
City: Brooklyn, N.Y.
Area-served: National
edquity.co

Edquity addresses the ongoing issue of students dropping out of college due to a financial emergency of less than \$500 by offering the only end-to-end emergency aid platform in the market. It provides colleges and universities a way to increase retention of their most at-need students by improving the efficacy of emergency cash assistance programs.



Invest Detroit Foundation
\$3.5 MILLION GUARANTEE
Program: Detroit
City: Detroit
investdetroit.com

Detroit Small Business Recovery Fund (DSBRF) is a new emergency response loan program designed to support Detroit small businesses and nonprofits as they reopen, stabilize, and grow after the COVID-19 outbreak. The program leverages and combines existing infrastructure, networks, and relationships within Detroit's CDFI community to build a scalable source of financing for participating partners. This pooled fund will provide the partner CDFIs with liquidity that enables them to initiate new lending, and its structure mitigates the risk to each organization's balance sheet.



Invest Detroit Foundation
\$10 MILLION EQUITY
Program: Detroit
City: Detroit
investdetroit.com

Invest Detroit Foundation will partner with the Kresge to build a new \$11 million fund that will focus on providing minority led development firms with capital and resources to build capacity. The Fund will provide equity & quasi-equity investments, as well as technical assistance to accelerate a developer's ability to scale and create greater economic impact in the City of Detroit.



Invest Detroit Foundation
\$3 MILLION GUARANTEE
Program: Detroit
City: Detroit
investdetroit.com

Kresge's second position guarantee will help Invest Detroit secure the project financing needed to pay-off existing debt and to complete the renovations of on a building being converted into a commercial center to foster entrepreneurship and creative companies.



Marygrove Conservancy
\$57 MILLION GUARANTEE
Program: Detroit
City: Detroit
marygroveconservancy.org

This guarantee supports a line of credit to be used to complete construction on the Liberal Arts building, which houses the Marygrove middle and high school classes, as well as covers costs to begin construction on the Immaculata building, which will house the elementary program.



Marygrove Conservancy
\$14 MILLION GUARANTEE
Program: Detroit
City: Detroit
marygroveconservancy.org

This transaction will support a standard federal historic tax credit structure investment. The Kresge Foundation guarantee will protect the tax credit investor (PNC bank) from certain events of loss.



Michigan Saves
\$2.5 MILLION PROGRAM-RELATED INVESTMENT LOAN
Programs: Detroit, Environment
City: Detroit
michigansaves.org

This loan will allow Michigan Saves to carry out a project lending directly to homeowners, small business and non-profits located in low- and moderate-income areas of Detroit for energy retrofitting, building electrification and solar panel installation. MI Saves, a long-time provider of credit enhancement for similar third-party lending efforts, has found that the amount of loans made in Detroit and other low-to-moderate income areas of the state do not get their fair share of lending capital, and it wishes to address this issue.



Pathway Lending

\$6 MILLION GUARANTEE

Program: American Cities

City: Nashville, TN

Area-served: Memphis, TN

pathwaylending.org

The Memphis Medical District Investment Fund seeks to remedy the appraisal gap in mixed-use commercial real estate in the market by forward-committing permanent financing based on a loan-to-cost ratio paired with a flexible construction loan. The goal is to pull forward what would be 15-20 years of development in the district into the next 5-7 years.



Seed Commons

\$1.5 MILLION PROGRAM-RELATED INVESTMENT LOAN

Program: Health

City: New York, N.Y

Area-served: National

seedcommons.org

A CDFI, Seed Commons specializes in financing worker-owned cooperatives via “non-extractive” financing. This PRI will allow them to expand lending capacity. Seed Commons operates akin to a “fund of funds” model wherein it provides capital for mission-aligned loans made by a network of local community organizations.



United Community
Housing Coalition

United Community Housing Coalition

\$4.5 MILLION GUARANTEE

Program: Detroit

City: Detroit

Area-served: Southeast Michigan

uchcdetroit.org

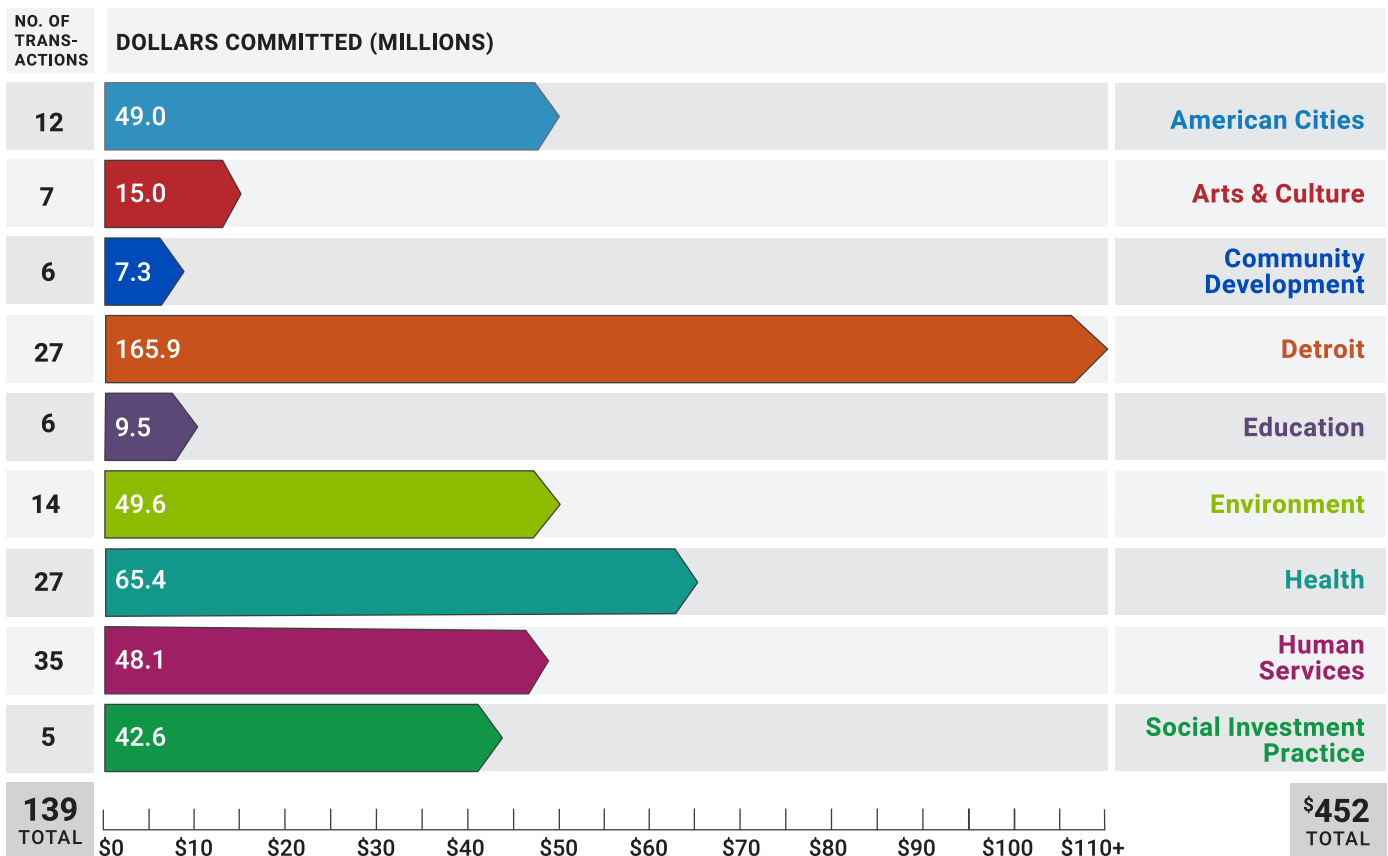
This guarantee will help to facilitate the flow of rental assistance to qualifying Detroit households to ensure more Detroiters are able to access the Federal Covid-response funding and stay in their homes.



Mission, Money & Markets

Stay in touch with us by subscribing to our newsletter at kresge.org/subscribe.

Aggregate Historical Activity by Program



Active Investments Committed Before 2021

American Cities

Aura Mortgage Advisors (2017)
\$3 MILLION GUARANTEE

Colorado Housing Finance Authority (2017)
\$2 MILLION GUARANTEE

Fresno Housing Authority HRFC (2020)
\$2 MILLION LOAN

Hope Federal Credit Union (2016)
\$3 MILLION LOAN

Living Cities Blended Catalyst Fund (2015)
\$1.8 MILLION LOAN

Memphis MDC – Predevelopment Fund (2020)
\$1 MILLION LOAN

National Housing Trust – Communities (2016)
\$5.2 MILLION LOAN

New Corp
\$800,000 LOAN (2018)
\$2 MILLION GUARANTEE (2020)

Port Authority of Cincinnati (2016)
\$5 MILLION LOAN

Prudential Financial (2017)
\$10 MILLION GUARANTEE

Arts & Culture

Artspace (2010)
\$407,000 GUARANTEE

Blue Hub Loan Fund (2016)
\$3 MILLION LOAN

Cook Inlet Housing Authority (2019)
\$3 MILLION LOAN

EDGE for Memphis & Shelby County (2017)
\$1 MILLION LOAN

New Jersey Community Capital (2015)
\$2.5 MILLION LOAN

Reinvestment Fund (2016)
\$3 MILLION LOAN

Detroit

Capital Impact Partners (Detroit Neighborhood Fund) (2015)
\$1.3 MILLION GUARANTEE

Community Reinvestment Fund (2016)
\$6 MILLION GUARANTEE

Detroit Affordable Housing Fund (2020)
\$10 MILLION GUARANTEE

East Jefferson Development Company LLC (2018)
\$2 MILLION EQUITY INVESTMENT

Eastern Market Corporation (2017)
\$750,000 LOAN

Enterprise Community Loan Fund, Inc. (2016)
\$2 MILLION LOAN

IFF (2015)
\$3 MILLION LOAN

Marygrove College
\$900,000 GUARANTEE (2016)
\$500,000 LOAN (2017)
\$3.5 MILLION GUARANTEE (2020)
\$14.2 MILLION GUARANTEE (2020)

Education

College Forward (2018)
\$600,000 LOAN

National Student Clearinghouse (2020)
\$2 MILLION LOAN

Environment

Commons Energy L3C (2015)
\$2 MILLION GUARANTEE

The Freshwater Trust (2012)
\$800,000 LOAN

Greenprint Partners
\$750,000 LOAN (2017)
\$750,000 LOAN (2020)

Inclusive Prosperity Capital
\$3 MILLION LOAN (2016)
\$10 MILLION GUARANTEE (2018)

National Housing Trust (2017)
\$2.5 MILLION LOAN

New York City Energy Efficiency Corporation (NYCEEC) (2018)
\$3 MILLION GUARANTEE

PosiGen, Inc. (2020)
\$5 MILLION EQUITY INVESTMENT

St. Paul Port Authority (2017)
\$1.1 MILLION LOAN

Health

Bridgeway Capital (2020)
\$1.5 MILLION LOAN

California Community Foundation (2016)
\$5.5 MILLION LOAN

Cooperative Fund of New England (2016)
\$1 MILLION LOAN

Direct Dermatology, Inc. (2012)
\$500,000 EQUITY INVESTMENT

Forward Community Investments (2017)
\$1 MILLION LOAN

Healthy Futures Fund/LISC
\$6.9 MILLION LOAN (2012)
\$1.9 MILLION GUARANTEE (2015)

Healthy Neighborhoods Equity Fund/MHIC (2014)
\$1.8 MILLION GUARANTEE

Housing Partnership Fund (2014)
\$3 MILLION LOAN

IFF (2011)
\$5 MILLION LOAN

Massachusetts Housing Investment Corp. (2019)
\$5 MILLION LOAN
\$1 MILLION EQUITY INVESTMENT

Self-Help Ventures Fund (2017)
\$3 MILLION LOAN

SPARCC Initiative (2017)
Enterprise Community Loan Fund
\$2.5 MILLION GUARANTEE

Low Income Investment Fund
\$2.5 MILLION GUARANTEE



South Carolina Community Loan Fund (2014)
\$500,000 LOAN

Human Services

CDT Strong Families Fund (2014)
\$1.4 MILLION LOAN

Cinnaire (2014)
\$500,000 GUARANTEE

Council for Native Hawaiian Advancement (2017)
\$500,000 LOAN

Inclusiv
\$1 MILLION LOAN (2017)
\$5 MILLION EQUITY INVESTMENT (2019)

Maycomb Capital (2017)
\$10 MILLION GUARANTEE

National Affordable Housing Trust (2014)
\$1.9 MILLION GUARANTEE

NeighborWorks Capital (2014)
\$5 MILLION LOAN

Pathway Lending (2018)
\$2.5 MILLION LOAN

Youth Services Inc (fbo Roca) (2013)
\$1.3 MILLION LOAN

Social Investment Practice

Actaris (2019)
\$15 MILLION GUARANTEE

Community Investment Guaranty Pool (2019)
\$10 MILLION GUARANTEE

Opportunity Finance Network (2011)
\$10 MILLION LOAN

2021 Social Investment Practice Grants

Mission Investors Exchange
\$50,000 GRANT

Global Impact Investing Network (GIIN)
\$95,000 GRANT

FOR MORE INFORMATION

General Inquiries
sipinfo@kresge.org

Aaron T. Seybert
Managing Director

Elizabeth Davidson
Portfolio Manager

Joe Evans
Portfolio Director and
Social Investment Officer

Erika J. Brice
Social Investment Officer

Julie L. Burlingame
Social Investment Assistant

John William Guzman
Social Investment Associate

Krista A. Jahnke
Senior Communications Officer

Neesha B. Modi
Director of Program and Social
Investment Operations

Tosha M. Tabron
Social Investment Officer


The Kresge Foundation
3215 W. Big Beaver Road
Troy, Michigan
248-643-9630

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