



## Detroit Food Commons

<https://www.dbcfsn.org/detroit-people-s-food-co-op>

### ABOUT THIS PROJECT

Equitable Food Oriented Development is a development strategy that uses food and agriculture to create economic opportunities, healthy neighborhoods, and explicitly seeks to build community assets, pride, and power by and with historically marginalized communities of color. Our PRI loan will allow the Detroit Black Food Security Network, in partnership with Develop Detroit, to construct the Detroit Food Commons, a transit-oriented and equitable food-oriented development that will leverage more than \$19 million in debt, equity and grants. DFC will bring much needed access to fresh and nutrient rich foods to its neighborhood and will help counter the negative effects of food insecurity and health challenges that impact Detroiters. DFC will be among the first Black-led, community-owned grocery store in Detroit.




Funding partners and other leaders place their shovels at the ground breaking for the Detroit People's Food Co-op, or Detroit Food Commons, in April 2022.

### WHY WAS THIS NEEDED?

**Challenge:** A retail grocery market study confirmed the need for higher quality product offerings than those supplied by stores within the North End neighborhood, where this new grocery will be located. Additionally, few grocery stores are community-led and owned.

**Solution:** Kresge's loan to Detroit Food Commons facilitated a New Markets Tax Credit transaction to finance the construction of \$19.5 million mixed-use development anchored by a cooperative grocery store. The 25,000 square-foot complex will include a fully licensed commercial kitchen to incubate food entrepreneurs, a 50-seat neighborhood café, and 15 outdoor vendor booths offering locally grown and made items. The cooperative model builds economic power for its members.

<b>IMPACTED LOCATION</b>  Detroit	<b>YEAR APPROVED</b> 2021	<b>KRESGE PROGRAM</b> Detroit and Health	<b>GRANT SUPPORT</b> \$1 Million
	<b>TYPE OF TRANSACTION</b> PRI Loan	<b>AMOUNT OF INVESTMENT</b> \$2 million	<b>TERM OF INVESTMENT</b> 1% interest



### ABOUT THE BORROWER

Located at Woodward and Euclid, the Detroit Food Commons (DFC) development sits at a key corridor connecting the core business district with surrounding neighborhoods. DFC is a model of community empowerment serving as a proof of concept for wealth building, local food security and reinvestment in underserved Detroit communities. DFC was spearheaded by the Detroit Black Community Food Security Network (DBCFSN), a coalition of organizations and individuals working together to build food security in Detroit's Black community. Since its inception in 2006, it has focused on urban agriculture, policy development and cooperative buying. DBCFSN has had sustained philanthropic and member base support. Develop Detroit joined the Detroit Food Commons implementation process in 2017, bringing an experienced, mission-driven development firm committed to the North End residents to the project. A local subsidiary of the national Housing Partnership Network, Develop Detroit was founded in 2014.

### IMPACT MEASURE

100 jobs created

### KEY PARTNERS

Develop Detroit, Detroit Black Community Food Security Network (DBCFSN), U.S. Bank, W.K. Kellogg Foundation, Fisher Foundation and other funders.

### Key Considerations



**Tosha Tabron**  
Social Investment Officer  
Social Investment Practice

- » Kresge's Health and Detroit teams jointly awarded \$500,000 through the Equitable Food-Oriented Development program to Detroit Food Commons in 2020, noting that the work of DBCFSN empowers Detroit's Black community to have greater control over the food system that impacts their lives.
- » The DBCFSN coalition of organizations and members has more than a decade of experience in cooperative buying, food policy development and urban agriculture.
- » This transaction follows the standard New Markets Tax Credit (NMTC) leverage loan structure designed to maximize the amount of forgivable equity available to the project.
- » Develop Detroit has utilized NMTC in multiple developments and has the expertise to complete this transaction. Develop Detroit has grown its portfolio to more than \$38 million in assets and has experience with developing projects with complex financing structures.
- » This investment will also provide a platform and space benefiting local food entrepreneurs interested in starting or growing businesses.