



INVESTMENT SPOTLIGHT

Ebiara Fund

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Investment Spotlight

Ebiara Fund

The \$11-million Ebiara Fund makes investments in Detroit-based, Black and Brown-led development firms to accelerate their ability to scale. The Kresge Foundation's support came via a \$10-million investment to establish the fund with CDFI partner Invest Detroit, which added \$1 million to the fund. Ebiara is managed by a Black-led development & consulting firm. The goal of Ebiara, which is named after an African wood, is to grow the fund to \$100-200 million, so that Black and Brown-led development firms will have access to equity capital needed to take on larger-scale projects and be a part of the revival of Detroit's neighborhoods.

THE
KRESGE
FOUNDATION



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RECAP

“In order for more projects to get done in the city of Detroit by people who live here, we really needed to have some dollars that were patient, that can wait...What we want them to do is grow an operating business that will continue to develop affordable housing in the city of Detroit or commercial development in the city of Detroit.”

Tosha Tabron

The Kresge Foundation

Investor: The Kresge Foundation

Investee: Ebiara Fund

The Need

High potential Black and Brown developers are limited in their access to capital, which significantly reduces wealth accumulation and impedes economic impact in Detroit neighborhoods

The Opportunity

Through The Kresge Foundation investment, the Invest Detroit Foundation has built a new \$11 million Ebiara Fund, which will focus on providing Black and Brown-led development firms with equity capital and resources to build capacity.

The Impact

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

WHO

Ebiara is a unique approach to provide emerging Black and Brown-owned real estate development firms access to capital and resources to build capacity for firms acquiring and developing Detroit projects.

Investor: The Kresge Foundation

Investee: Ebiara Fund

About Ebiara Fund

The Ebiara Fund provides capital and resources to support the growth of Detroit's Black and Brown-owned development firms as they work to grow and strengthen Detroit neighborhoods.

Invest Detroit is a local financial intermediary that has deployed more than \$410 million and leveraged nearly \$2.9 billion in total direct investment to revitalize Detroit and the region. 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 over its 27-year existence. Invest Detroit is acting as fiduciary for the Ebiara Fund.

Geography

Detroit, Michigan

Sectors & SDGs





“Ebiara is an extension of Invest Detroit’s commitment to ensuring equitable opportunity in the growth of Detroit’s economy. It helps to leverage other existing programs and neighborhood efforts while also creating growth pathways for development firms committed to and representative of Detroit.”

KEONA COWAN
INVEST DETROIT

WHAT

“Detroit’s minority-led developers need better access to capital on their balance sheets to compete and bid on public projects and community development work in the Detroit neighborhoods where they live and work.”

Tosha Tabron
The Kresge Foundation

Total Investment

\$11MM PRI

INVESTOR	SIZE	TYPE	POOL	DURATION
Kresge	\$10MM	Debt	PRI	12 years
Invest Detroit	\$1MM	Equity	-	Ongoing

Target Return

1.5%

interest loan with an exit 12 years from closing date

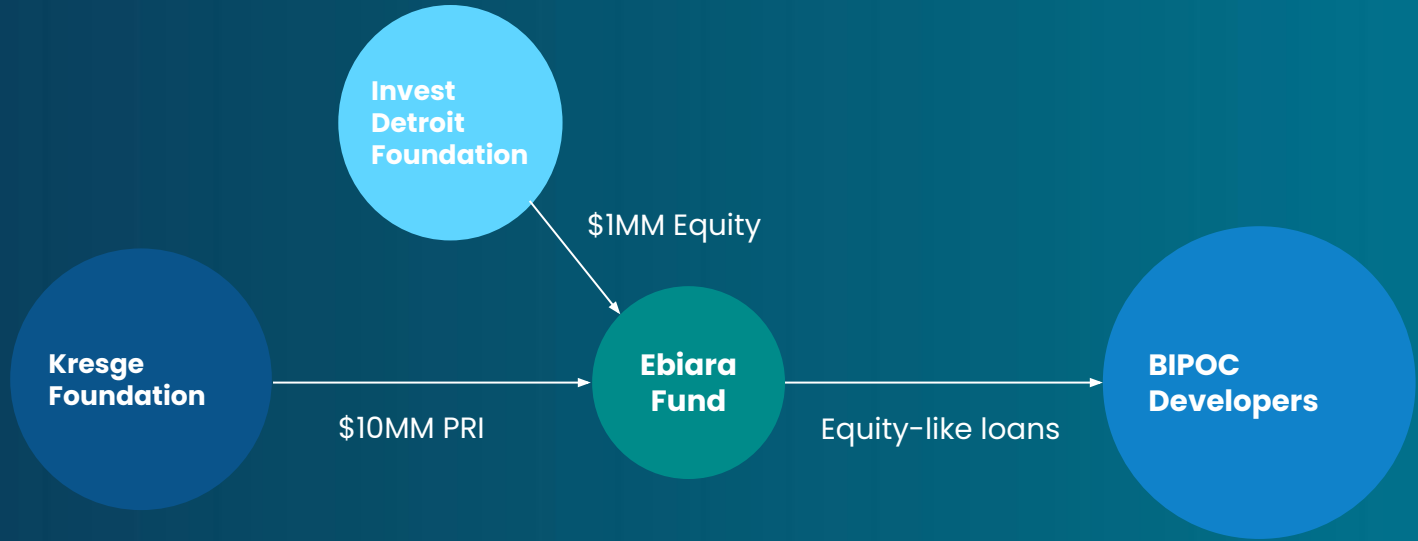
Investment Structure

Kresge made a 7.5% interest loan with an option to convert to equity when additional funds are raised; exit at 12 years from closing date.

Repayment will come from the interest and return of principal on the underlying enterprise investment.

HOW

The nature of the stakeholders



Kresge is a private foundation with a mission to expand opportunities for people living in America's cities.

Ebiara provides capital and resources to support the growth of Detroit's Black and Brown-owned development firms as they work to grow and strengthen Detroit neighborhoods.

Minority-led development firms in Detroit will have access to equity investments

IMPACT & MEASUREMENT



Expected to leverage
\$200MM
into low-wealth
communities

Preserve and create new affordable housing units. This City of Detroit has a goal of bringing on **8,000 quality affordable units** by 2025

Scale **10 BIPOC development firms** that will remain active in the Detroit market

URGE Imprint was brought on to lead impact and evaluation for the Ebiara Fund. URGE Imprint is a Detroit-based management and consulting firm, founded by Roderick Hardamon, a local BIPOC developer with significant experience.

INSIGHTS



“...We focus on what’s right for people and then what works at scale for investors, not the other way around.”

Aaron Seybert
The Kresge Foundation

Investor: The Kresge Foundation

Investee: Ebiara Fund

Lessons Learned

Communities are built on systems, including a complex and often under-resourced community development finance system. System building requires consistent, long term investment. For more than a decade, Kresge has made a series of investments to financial intermediaries to address disparities that exist in the real estate development system. The goal is to build up a capital system responsive to BIPOC developers and their unique needs as entrepreneurs.

Advice to Fellow Practitioners

Impact investing tools 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. 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.”



“The status quo of limited access to capital is unacceptable. It significantly reduces minority developers’ ability to accumulate wealth and impedes their efforts to move their own neighborhoods forward.”

TOSHA TABRON
THE KRESGE FOUNDATION