

INVEST DETROIT

Detroit, MI



OVERVIEW

Invest Detroit is a nonprofit community development financial institution (CDFI) and community development Entity (CDE). We are a mission-driven lender, investor, and partner that supports business and real estate projects that will ignite economic growth in Detroit and support startups across Michigan.

Our vision is a thriving city that works for all Detroiters with an improved quality of life—inclusive housing, resourced and walkable neighborhoods, and equal opportunities for jobs and business growth. We work to achieve this vision through four goals: Density, jobs, thriving neighborhoods, and inclusivity.

Invest Detroit is based in Detroit and offers financial programs within the city. Our programs support commercial real estate, commercial and industrial, and small business lending.

THE RIBBON

The Ribbon is a new mixed-use affordable housing development in Detroit's East Warren neighborhood. The project is the largest development along the East Warren Ave. corridor in decades and will bring \$8.2m of investment. The Ribbon will help catalyze the neighborhood's revitalization efforts, directly responding to the community's desire for mixed-use projects that support affordable housing options and local businesses accessible to the community. The Ribbon is the first project led by Edward Carrington of Flux City, an emerging developer of color based in Detroit.

The Ribbon embodies the mission of Detroit's Strategic Neighborhood Fund, a \$150 million initiative launched in 2016 by Mayor Duggan and Invest Detroit focused on leveraging investments in four key areas: improving parks, streetscapes, commercial corridors, and single-family housing. The plans are guided by resident input, empowering them to decide the future of their neighborhoods.

The project, expected to be completed in fall 2024, includes the construction of a 3-story, 20,240 sq. ft. mixed-use building (the Ribbon) on the site of a former bank building. The development will provide 18 affordable apartments, 14 with rents at or below 80% AMI, and four with rents at or below 60% AMI. The first floor will include retail space occupied by a local foodie favorite, Gajiza Dumplings, making the Ribbon its first permanent home after operating in pop-ups and out of a food truck.

Invest Detroit through the Strategic Neighborhood Fund provided a \$1.4 million grant to the development and a \$7.75 million NMTC allocation, contributing a net subsidy to the project of approximately \$1.4M. The project also received almost \$1 million in loans and Preferred Equity from the Detroit Housing for the Future Fund, \$2.2 million from Capital Impact Partners, a Capital Impact Partners grant of \$75,000, and \$1.3 million from the Michigan Economic Development Corporation.

Edward Carrington, the project developer, commented, "I am beyond grateful for how Invest Detroit has contributed to The Ribbon's progress. As an emerging developer in Detroit, we face challenges in ensuring our projects are both financially feasible and beneficial to the community. The funding gap we encountered due to the rising costs of materials and labor could have been a significant roadblock. However, the Strategic Neighborhood Funding grant dollars Invest Detroit provided were game-changing, allowing us to continue moving forward with confidence."

THREE-YEAR IMPACT

- ▶ \$35.1 million in loans
- ▶ 24 businesses financed (16 minority-owned, 12 women-owned)
- ▶ 938 FTE construction jobs
- ▶ 1155 jobs created at businesses
- ▶ 1.4 million sq. ft. of commercial real estate

Housing Financing:

- ▶ Financing for 9 for-sale units
- ▶ Financing for 611 rental units (412 affordable)