BioFi Project



Seed Commons

Federating Non-Extractive Capital Across Places

UNITED STATES (30 STATES) **WEBSITE**

Seed Commons is a cooperatively governed national Community Development Financial Institution (CDFI), a lender certified by the US Treasury to serve economically underserved communities. The designation provides access to federal funding and helps attract bank and institutional capital. Seed Commons pools this capital nationally and lends it through local member organizations. As of 2026, thirty members lend actively, and fifteen more are in a multi-year apprenticeship, building the track record required to become full members.

It is place-based but not bioregional. Seed Commons defines place through what it calls “place-based ecosystems of trust,” not watersheds or ecosystems. Most members serve a geographic community, from Baltimore to the Wind River Reservation in Wyoming; others, such as the Climate Justice Alliance, are national movement organizations. Borrowers are mostly worker cooperatives and community-owned enterprises in low-income communities of color.

Its relevance to bioregional finance is architectural: it has long run the kind of shared vehicle many bioregional initiatives hope to build, showing what a network of places can share and what must stay local.

Challenge

Seed Commons responds to two linked failures. Enterprises owned by workers and communities in low-income areas cannot get conventional credit, and the local organizations that know these enterprises best cannot become lenders on their own.

The first failure lies in how banks underwrite. They rely on credit scores and personal assets that, Seed Commons argues, exclude people not born into economic and racial privilege. They also require personal guarantees, which shared ownership cannot accommodate: when Baltimore's Red Emma's cooperative sought financing, every bank wanted one worker to sign for the whole loan. The result is what Seed Commons calls "a self-perpetuating trap." Communities are denied capital for lacking capacity, so they never build the track record that would earn it.

The second failure lies with the alternatives. Community organizations could, in principle, start their own loan funds. In practice, establishing a lending institution, obtaining CDFI certification, raising capital and managing compliance are beyond the capacity of many local organizations. Capital raised locally also rarely arrives when a cooperative needs it.

Model

Seed Commons splits lending into two layers. A central entity holds the capital, CDFI certification and shared administrative infrastructure; member organizations find, support and stand behind borrowers. The central entity and CDFI, legally The Working World, Inc. doing business as Seed Commons, holds the network-wide fund, handles compliance and back-office work, and runs shared lending software. Members are local organizations, often run by community organizers and cooperative workers. They source deals through long-term relationships and provide borrowers with technical assistance. They can access the network's capital and institutional infrastructure without establishing independently certified CDFIs.

Each loan starts with a member. A loan officer writes a loan memo that scores the project first on racial, gender, environmental and economic justice; only projects that pass are assessed for financial feasibility. The member then brings the memo to the sustainability committee of the network's board, which approves access to the fund.

Organizations join through an apprenticeship lasting several years. During it, they receive training and can bring individual loans to the committee, but they have no role in governing the network. Once they have shown they can make viable local loans, they become full members and help govern it. The network's own governance followed a similar path. In 2018, the board of The Working World committed to hand formal governance to the member organizations, and by 2022 its founding-era directors had left the board. Investors have no say over which loans are made.

Finance

Seed Commons combines repayable investment capital with public and philanthropic funding. Accredited investors make unsecured investments in the capital pool; in 2021 Seed Commons reported 130 investors committing $25,000 to $2 million each. Foundations make program-related investments (PRIs), below-market investments that advance their charitable purpose: in 2025 the Kataly Foundation and The California Endowment each invested $5 million. Grants fund operations and higher-risk lending. They include a $10 million Bezos Earth Fund commitment in 2021 for risk-tolerant investments in businesses such as solar cooperatives, and a separate grant pool, the Thrive Fund, for experimental and higher-risk investments.

Loans are designed so borrowers pay only when the business can afford to. Repayment begins once the enterprise covers its costs, including living wages, and each monthly payment is a percentage of profit. Interest works the same way. Seed Commons' sample contract sets it at 7% a year (3% for the cost of capital, 2% for expected losses and 2% for staff time), payable only in years with enough profit. Typically no more than half of the profit a loan generates returns to the lender. Borrowers need no credit score or personal guarantee, and loans are secured only by the assets they pay for.

Instruments include equipment and working capital loans, mortgages, preferred equity and subordinated loans, which are repaid only after a senior lender. In Denver, member Right to the City Alliance made a $1.5 million subordinated loan toward residents' $11.5 million purchase of the 78-unit Montevista mobile home park; the City of Denver lent another $2.6 million. Through member Regenerate Atlanta, a Black-owned shrimping cooperative received a $692,000 loan for an 80-foot boat plus $25,000 in working capital.

The interest covers losses and staff, but the central entity is not self-funding. Grants and contributions accounted for 63% of its revenue in fiscal 2024, down from 90% in 2022, and it ran deficits in 2023 and 2024 on $85.7 million in total assets.

Outcomes

Annual deployment rose from $2 million in 2019 to $13 million in 2022 and more than $24 million in 2024. By 2026 Seed Commons reported over 500 non-extractive investments since 2011, totaling more than $127 million.

In 2024, 97% of workers in financed enterprises were low-income before borrowing, 93% of workers across its cooperatives were BIPOC, and 65% of loans went to businesses majority-owned by women and non-binary people.

Land and housing are a growing share. Since 2020, $19.8 million in real estate investment has moved 1.1 million square feet of commercial property and farmland into cooperative or

community control and housed 1,076 people. Ecological work is smaller but present, including compost cooperatives in Cleveland and Buffalo that divert millions of pounds of waste from landfills.

Much of that growth came through a few strong members. The Baltimore Roundtable for Economic Democracy (BRED), the network's prototype local member, made $800,000 in loans through the network from 2013 to 2020. Once more capital was available, it made more than $32 million in loans from 2020 to 2025, over a quarter of everything the network deployed in that period.

Lessons

Capital can build local capacity rather than wait for it. In 2019 the network had only $2 million to allocate. As more capital arrived, Seed Commons pushed members to size projects to what was now possible rather than what had been available, under the mantra "Plan not for your $100K project, but your $1M project." Deployment grew more than tenfold in three years. The apprenticeship kept that growth safe, because access widened only as each member proved it could lend. Bioregional facilities that wait for an investable pipeline before raising capital may have the sequence backward.

Pool the functions small funds cannot carry, and leave relationships local. Raising capital, obtaining CDFI certification, managing compliance and holding liquidity are burdens a small local fund struggles to bear alone. Seed Commons carries them centrally, giving local members access to federal funding opportunities, institutional credibility and shared lending capacity without each building its own financial institution. That shared liquidity let BRED make its first $1 million loan to Baltimore's Obran Cooperative in 2020. What the network cannot pool is the relationship with each borrower, which is where members spend most of their time.

Non-extractive lending does not yet pay for the network that coordinates it. The 7% rate is built to break even: 3 points pay the network's investors, 2 cover defaults and 2 pay lending staff. Nothing is left over for the wider costs of running the network, and borrowers pay even the 7% only in profitable years. In 2021 Seed Commons planned to cover its operating costs within five years; in 2024 grants and contributions still made up most of its revenue. Shared bioregional infrastructure financed on similar terms should plan for ongoing public or philanthropic support unless it develops other durable sources of operating revenue, rather than assuming lending fees will eventually cover the full cost of coordination.

What's Next

Seed Commons describes its next phase as moving beyond worker cooperatives toward "larger and larger amounts of land and housing" under community ownership. Two $5 million foundation investments in 2025 add a new tier of institutional capital, and fifteen apprentice organizations are preparing to become full lending members. The network is still working toward covering its own operating costs, against an uncertain federal backdrop: the administration sought to eliminate the CDFI Fund in 2025, though Congress has continued to fund it.