

Understanding the Role of Community Development Finance in Improving Access to Healthy Food

A Guide for Public Health Practitioners

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Acknowledgments

CO-WRITTEN BY

Allison Karpyn, The Food Trust

THANKS TO

Lori Glass, Appalachian Community Capital

Anne Misak, Opportunity Finance Network

REVIEWERS

Amy Abodeely, Toledo-Lucas County Health Department

Kirby Burkholder, IFF

Christine Fry, ChangeLab Solutions

Caroline Harries, The Food Trust

Jane Henderson, Virginia Community Capital

Rio Holaday, ChangeLab Solutions

Kristen Klingler, Minneapolis Health Department

Tony Maziarz, Toledo-Lucas County Health Department

Angela Odoms-Young, Department of Nutrition and Kinesiology,
University of Illinois at Chicago

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The Food Trust, a nonprofit founded in 1992, strives to make healthy food available to all. Over the last two decades, The Food Trust has worked with neighborhoods, schools, grocers, farmers and policymakers to change how we think about healthy food and to increase its availability throughout the city. Together, we've brought supermarkets to communities that have gone decades without one. We've helped corner store owners introduce fresh produce, low-fat dairy and whole grains. We've taken soda and junk food out of Philadelphia schools, and we've taught students to appreciate foods like apples and cherry tomatoes. Working with neighborhoods, schools, grocers, farmers and policymakers, The Food Trust has developed a comprehensive approach that combines nutrition education and greater availability of affordable, healthy food.

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Table of Contents

INTRODUCTION.....4

WHAT ARE CDFIs?.....5

ROLE OF CDFIs IN FINANCING HEALTHY FOOD RETAIL.....6

HOW ARE CDFIs FUNDED?.....7

HOW ARE HEALTHY FOOD RETAIL PROJECTS FINANCED?.....9

HOW TO PARTNER WITH CDFIs.....11

APPENDIX A: CHART OF HFFI-FA AWARDEES 2011-2013.....13

**APPENDIX B: HEALTHY FOOD FINANCING PROGRAMS
FUNDED BY STATE AND LOCAL GOVERNMENT.....14**

Introduction

Community Development Financial Institutions (CDFIs) provide financial services and credit to benefit underserved neighborhoods. Because a growing number of CDFIs are financing the development of grocery stores and other food retail options in underserved communities, they have become an important partner for public health advocates seeking to increase access to quality, affordable food. While there have been concerted efforts to educate community development finance professionals about the benefits of expanding access to healthy food, less of an effort has been made to educate public health practitioners about the goals and operations of CDFIs. This document describes the role CDFIs play in financing healthy food retail and identifies how public health practitioners can partner with CDFIs to expand access to fresh, healthy food.

Many factors contribute to the grocery store gap in low-income urban and rural communities. Evidence suggests that supermarket developers and operators face higher costs associated with land assembly, construction, workforce training, and security in urban areas compared to suburban areas.^{1,2} Rural grocers face additional barriers, including limited access to the wholesale food distribution network; declining populations; transportation challenges; and competition from regional shopping centers.³ These higher costs, coupled with thin operating margins, can make it difficult for supermarket developers and operators to secure loans.

CDFIs offer an alternative to conventional lending for financing supermarkets and other small businesses. The flexibility they provide in financing projects can help retailers offset the higher cost of opening stores in underserved areas. Incentives may include access to resources to conduct more in-depth market analysis, intensive technical assistance, low-interest loans, grants, and longer debt repayment periods.⁴ Rather than subsidizing operating costs for grocery stores that would otherwise be infeasible, CDFIs allow supermarket developers and retailers flexible terms to retire debt at an affordable rate over a longer period of time while establishing their business.



HISTORICAL ROOTS

CDFIs were developed in response to discriminatory lending practices in low-income neighborhoods, and to also address obstacles traditional banks faced in investing in distressed communities. The Community Reinvestment Act (CRA) of 1977 mandated that banks respond to the credit needs of all residents in their service area, a response to red-lining where investment was made inaccessible to certain neighborhoods.⁷ But the CRA did not provide an adequate enforcement mechanism and many banks continued discriminatory lending patterns.^{8,9} Through the 1980s, advocates worked to raise the visibility of discriminatory lending and develop alternative financial institutions.¹⁰

In 1994, the Community Development Fund legislation established the CDFI Fund to serve as a mechanism to provide loans, grants, and equity investments to CDFIs. The CDFI Fund was initially created as an independent entity, but was moved under the U.S. Department of Treasury in 1995.¹¹ In 1995, the Community Reinvestment Act was revised to allow banks to receive CRA credit for loans and investments to CDFIs.^{12,13} This federal support led to the growth of the CDFI field.¹⁴ There are now more than 800 CDFIs operating in all 50 states.¹⁵ The CDFI Fund oversees the federal allocation of monetary and tax credit awards through a competitive process to CDFIs that meet its certification criteria.¹⁶

What are CDFIS?

CDFIs provide economically distressed neighborhoods with credit (loans), capital (grants), and financial services often unavailable from traditional financial institutions. They seek to develop projects in these areas that will improve the economic and social wellbeing of the neighborhood. CDFIs invest in affordable housing projects, small businesses, and community facilities, such as charter schools, early childhood education centers, and health centers. CDFIs lend to a wide range of users, including organizations (such as community development corporations (CDCs), other nonprofit corporations, and religious organizations); business owners and real estate developers (both for-profit and nonprofit); and individuals.

While CDFIs share a common mission, they take several forms and may be for-profit or nonprofit private sector entities. The five most common forms are as follows:

- Community development banks finance businesses (including supermarkets), affordable housing developments, and community facilities, like charter schools. They also offer basic banking and lending services to consumers in underserved communities.
- Community development credit unions offer consumer banking services. Some offer business lending and may have the capacity to finance supermarket development projects.
- Microenterprise development loan funds provide business capital to small-scale entrepreneurs. Microlenders with a focus on small business lending could be potential partners for collaborations with small independent food retailers and corner stores.
- Community development venture capital funds make investments in businesses in underserved areas that provide attractive returns for investors (which may include banks, pension funds, foundations, governments, and wealthy individuals). Venture capital funds may invest in healthy food projects that hold the promise of rapid growth.
- Community development loan funds raise capital and re-lend to nonprofit housing and community facility developers and are large players in the development of healthy food retail.^{5,6}

Community development banks and community development credit unions offer depository services (such as checking and savings accounts) much like traditional banks. Loan funds and venture capital funds are “non-depository” institutions, meaning that they only serve as lenders.

WHAT IS THE FEDERAL HEALTHY FOOD FINANCING INITIATIVE?

This grant and loan program was launched by the Obama administration in 2010, modeled after a successful statewide initiative in Pennsylvania. The Healthy Food Financing Initiative supports the development of food retail in communities across America that do not have convenient access to affordable, healthy foods. Presently, the Healthy Food Financing Initiative provides funding to a variety of healthy food retail, from grocery stores and coops, to farmers markets and small retailers in underserved communities across the country.

The effort is a partnership between three agencies – the U.S. Department of Agriculture, U.S. Department of Treasury, and U.S. Department of Health and Human Services—that together sought to achieve the goal of financing retailers to sell healthier foods in underserved communities. CDFIs receive funding and technical assistance through the U.S. Department of Treasury to support healthy food retail investments in underserved neighborhoods.

ROLE of CDFIs in Financing Healthy Food Retail

CDFIs are emerging as important partners in changing the food retail landscape, driven in part by the investment of federal and state economic development funds. Relatively few CDFIs undertook targeted investments in healthy food retail until the launch of Pennsylvania's Fresh Food Financing Initiative in 2004. Since then, successful advocacy campaigns highlighting the importance of investing in grocery store development in underserved areas have led to the creation of additional healthy food financing programs in several other states and cities (see Appendix B for a list of existing programs across the country). Modeled after the Pennsylvania initiative, these programs have been implemented by key CDFI partners in those regions, increasing interest and capacity in grocery store financing within the CDFI community.

CDFI involvement in healthy food retail financing has grown since the creation of the national Healthy Food Financing Initiative (HFFI) in 2010. At the launch of the initiative, the CDFI Fund developed a technical assistance program to build the capacity of CDFIs to understand the grocery store industry, identify optimal areas for grocery store development, and underwrite loans to healthy food retailers.¹⁷ Since 2010, more than 20 CDFIs have received HFFI funding from the U.S. Department of Treasury to develop food retail financing programs.¹⁸ These programs primarily focus on financing full-service supermarkets. However, some CDFIs lend to corner stores, cooperatives, and other small food retailers as a part of their small business lending programs. A number of CDFIs also invest in other food systems projects, such as distribution, value-added food processing, and small-scale farming.¹⁹ A small number of CDFIs have developed healthy food financing programs without public investment.



How are CDFIs Funded?

CDFI loan funds assemble capital from multiple public and private sources. These investments may come from banks (approximately 33 percent industry-wide), federal, state, and local governments (15 percent), corporations (8.5 percent), philanthropic organizations, including religious institutions and foundations (10 percent), and individuals (5 percent).^{21,22} Each of these investments carries its own requirements for how the funds may be disbursed (grant or loan), the length of the investment, the rate of return, the types of projects, and geographic restrictions. Most healthy food retail development projects will involve multiple funding streams. The work of the CDFI is not only to raise capital but to blend all of these different funding streams together and offer financing packages appropriate to its lending area and clients (this is called a “capitalization strategy” by community development practitioners).

PUBLIC FUNDING

CDFIs will often use public funding from federal, state, and local government to attract private market capital with a lower tolerance for risk and higher expectation of financial return. In some instances, these funds are not specifically earmarked for healthy food retail, but are consistent with economic development targets around workforce development and community revitalization. For example, the New Orleans Fresh Food Financing Initiative includes a \$7 million investment of Disaster Community Development Block Grant funds.²³ However, in recent years, federal and state governments have developed a number of CDFI funding streams specifically targeted to healthy food retail.

National Healthy Food Financing Initiative

Since 2010, the U.S Department of Treasury’s CDFI Fund has administered the Healthy Food Financing Initiative - Financial Assistance awards (HFFI-FA). This initiative offers funding to CDFIs that are interested in expanding their healthy food lending activity to grocery stores, mobile food retailers, farmers markets, cooperatives, corner stores, and other healthy food retailers in economically distressed markets. The HFFI-FA awards are only available to CDFIs that have been awarded financial assistance through the CDFI Fund’s competitive process and require a one-to-one match from awardees.^{24,25} Since 2010, 22 CDFIs have received nearly \$69 million from this initiative.²⁶ (See Appendix A for a list of HFFI-FA awardees.)

State and City Healthy Food Financing Initiatives

In addition to the national Healthy Food Financing Initiative, there are eight city and state healthy food financing programs in which CDFIs play major roles. (See Appendix B for a list of state and city healthy food financing programs.) Some of these programs receive funding from the national HFFI; others are funded by state and local government and/or foundation investment.²⁷ In Pennsylvania, for example, the state government seeded the Fresh Food Financing Initiative with \$30 million, which a CDFI (The Reinvestment Fund) used to attract an additional \$145 million investment from private sources.^{28,29}

New Markets Tax Credits

Some of the larger CDFIs use a special financing tool called New Markets Tax Credits (NMTC). New Markets Tax Credits offer institutional and corporate investors a credit against federal income taxes – they are an incentive to attract private equity to underserved neighborhoods. Investors receive a federal income tax credit worth 39 percent of the original investment amount, to be claimed over a period of seven years. NMTC investors can also receive interest on their investment, depending on how the deal is structured.³⁰

The Treasury awards NMTC through a competitive application process to qualified community development entities (also known as CDEs – many, but not all, CDFIs are also CDEs). There is not a specific amount set aside for healthy food financing, but applicants are given the opportunity to demonstrate how they would use NMTC to expand access to healthy and affordable food in underserved areas. In 2012, 82 percent (n=70) of NMTC awardees said they intend to use some portion of their award towards healthy food financing activities.³¹

CDFIs that have been awarded NMTC may use this tool to finance larger, more complicated supermarket projects and other investments that have better rates, terms, and other more flexible features than would otherwise be available in eligible, low-income areas.³² Developers also use commercial banks' NMTC allocations to finance supermarket projects. Due to the complexity of the program and the size of the loans involving tax credits, NMTC would not be a component of small food retail lending.³³

PRIVATE FUNDING

The most significant source of funding for most CDFIs (about 33 percent) comes from private banks, that invest in CDFIs as part of their compliance with the Community Reinvestment Act (also known as the CRA – see Historical Roots sidebar on p.5).³⁴ These funds tend to be offered at lower interest rates than market offers but may carry restrictions on what and where funds can be used.

Individual investors, religious institutions, and foundations also invest in CDFIs seeking both economic and social returns on investment. As more foundations are drawn to healthy food retail financing, they are investing in CDFIs through Program Related Investments (PRIs) and Mission Related Investments (MRIs). PRIs come from a foundation's grant-making budget and offer the CDFI access to low-cost capital in the form of loans, loan guarantees, or equity investments. MRIs are funded through the foundation's endowment and may demand market rate returns.³⁵ Overall, philanthropies and individuals tend to make low-interest rate investments with few restrictions, but these smaller investments can be resource-intensive for CDFIs to manage.³⁶

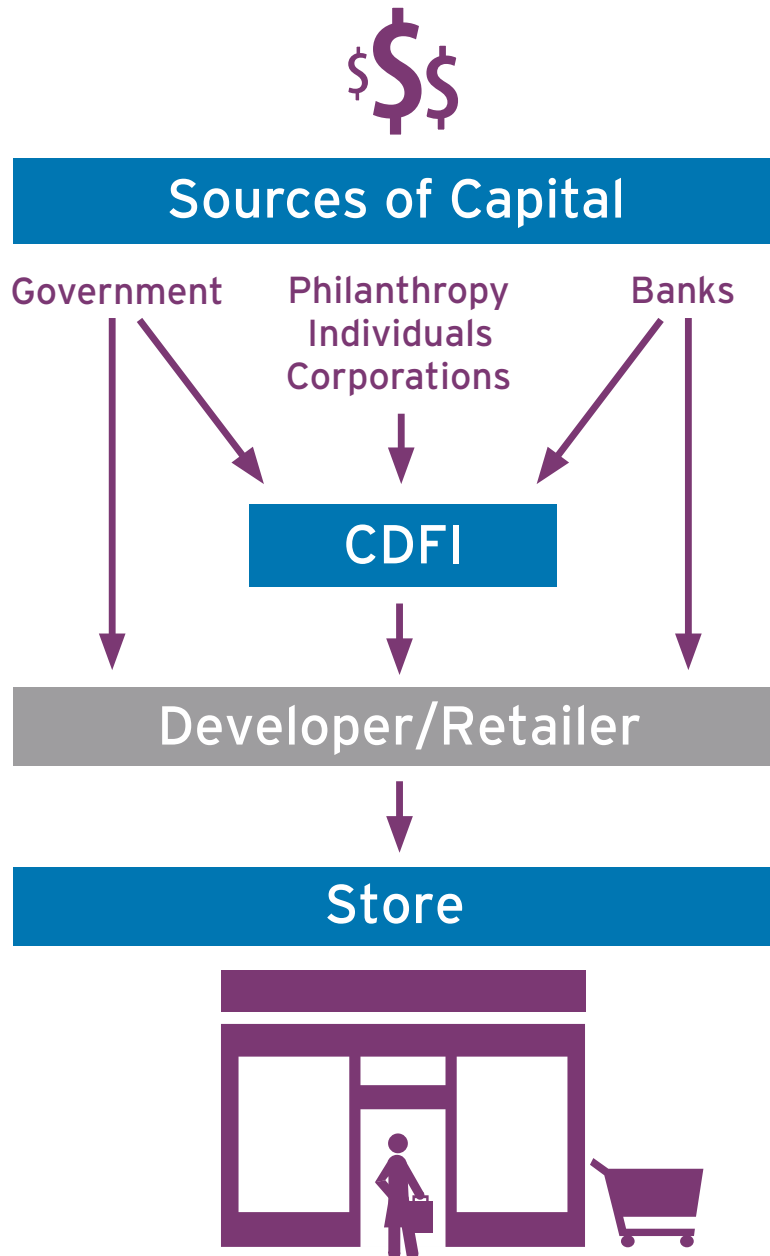
Funding from government programs and foundations tends to be more flexible and can help fill gaps that traditional financing cannot cover. One way this is done is with a loan-loss reserve fund. As the name suggests, loan loss reserve funds provide security to the most risk-averse investors in the event that a project defaults or otherwise fails to be able to pay back its loan. This entices commercial financial institutions to lend capital at a lower interest rate or with more flexible terms than they otherwise would. CDFIs often fund loan loss reserve funds with grants awarded by state or local governments that wish to catalyze economic development.



How are Healthy Food Retail Projects Financed?

Developers, grocers, wholesalers, and/or community leaders interested in developing a retail project often have to combine numerous sources of financing including conventional loans; New Markets Tax Credits; Tax Increment Financing; Tax Incentive programs (including Community and Business Improvement Districts); and grant and loans from CDFIs. This structured financing can be complicated and requires careful coordination to leverage various sources and, CDFIs, which are typically the most flexible, play an important role in filling gaps and delivering financing which other parties may not be able to provide. In some cases, CDFIs participating in deals may be leveraging the same sources as the developers. For example, a developer may be obtaining a direct loan from a commercial bank and subordinate debt from the CDFI. The CDFI's capitalization strategy likely also involved investments from banks.

OVERVIEW OF HOW PROJECTS ARE FINANCED





HOW ARE DEALS STRUCTURED?

Once CDFIs have attracted investment for healthy food financing from all or many of the sources above, they have funds available to lend. Developers, wholesalers, and/or grocers then assemble deals and CDFIs evaluate them to ensure they meet the needs of the borrowers and the investors. The developer and lenders, which may include traditional banks in addition to CDFIs, work together to assemble different sources of funds by “pooling” or “stacking” capital, to ensure each lender is comfortable with the level of risk they hold in the project financing. The entity that will be paid back first is referred to as being in the senior debt position and the investor at the end of the list takes on the most risk. Because supermarket projects are seen as more risky, they often rely on the ability of a lender, such as a CDFI, to play a junior or subordinate role.

Depending on the proposed project and the available funds, CDFIs may offer loans or a combination of grants and loans. Grants can support planning and predevelopment activities that precede debt financing. These activities might include costs associated with determining project feasibility, such as market studies, appraisals, and deposits on land and buildings. Other potential uses of grant funds include costs associated with land assembly, environmental remediation, and energy efficiency. Grants can also fund loan loss reserve funds, which are used to attract traditional investors. However, grants are typically not used to subsidize operating costs.

HOW DOES A CDFI DECIDE WHAT PROJECTS TO FUND?

CDFIs identify potential projects in a number of ways. In some instances, a retailer or developer will approach the CDFI with a project in mind. In other communities, there may be a concerted effort led by local government or a nonprofit organization to recruit new food retailers to underserved areas. Local universities, public health departments, and economic development consulting firms may play a role in quantifying the economic opportunity for healthy food retail. CDFIs themselves may also identify potential project sites through the course of their community development work.

Before financing a project, CDFIs conduct due diligence to determine whether the borrower (the food retailer or the developer) will be able to repay the loan. In implementing state and city grocery financing programs, many CDFIs have partnered with a community-based organization with food access expertise to undertake the initial assessment of the site to determine if it meets program criteria. Once the applicant is deemed eligible to apply for funding, CDFIs will evaluate both the strength of the borrower and of the proposed project. CDFIs will analyze the proposed location, experience of the store manager, plans for merchandizing and store presentation, and other factors such as planned services and amenities, use of technology, and workforce access. CDFIs will also review the applicant’s projections of how the store will perform (called a pro forma) as well as historic financial statements or tax records (if available).³⁷ It is possible that a strong borrower will present a weak project (and vice versa). If the supermarket developer or food retailer is unlikely to be able to repay debt or if the proposed project is not likely to succeed, the CDFI will not be able to lend to the project. This concept goes back to the CDFIs funding structure (also called capitalization strategy), which relies on investments that must be repaid. CDFIs need to finance viable projects so principal can be returned back to investors.

In some instances, CDFIs may make referrals to business development centers or other technical assistance providers to help build the capacity of the retailer or developer to take on debt. CDFI staff members often maintain close working relationships with local economic development and planners as well as neighborhood associations and other community groups in their target area. These political and community relationships are often critical to the viability of healthy food retail development.

How to Partner with CDFIs

CDFIs are an important partner for public health advocates fresh food retailers in underserved communities. In fact, many of the current healthy food financing programs run by CDFIs have specific program goals intended to nurture meaningful relationships between the grocer and community and improve health outcomes. Public health organizations' experience with data collection can help CDFIs evaluate the potential health impact of future fresh food retail development. Likewise, public health practitioners' strong connections with neighborhood organizations can help build resident support for new projects. Finally, public health organizations may have access to nontraditional sources of funding. All of these strengths make public health organizations a valuable partner in community development. This section outlines steps public health advocates may take to partner with CDFIs in their community. The development of partnerships between CDFIs and public health organizations will depend on the degree to which local CDFIs are already engaged in financing healthy food retail, the financial and technical resources that are available locally, and the stage of any food retail development projects already underway.

STEP 1: GET TO KNOW THE CDFI FIELD

For public health advocates new to world of community development finance, a basic familiarity with terms and concepts used in the field will facilitate communication. Beyond this primer, resources from the U.S. Department of Treasury's CDFI Fund³⁸ and the Opportunity Finance Network (a national network of CDFIs)³⁹ may be useful background reading. Next, advocates should identify the CDFIs lending in the target area. In addition to a basic web search, advocates should visit the Opportunity Finance Network and the CDFI Fund's searchable online databases to identify CDFIs active in a particular geographic area.^{40,41} Keep in mind that some of the larger CDFIs have a regional or national service area which may not be immediately identifiable from the initial search.

Once advocates have mapped out the CDFIs lending in their target area, the next step is to become familiar with the lending portfolio of these CDFIs. The CDFIs' websites will provide information on the type of CDFI and the kinds of loans they typically make. Note that not all CDFIs are currently financing healthy food retail projects. Advocates should look for CDFIs with experience in business lending, since supermarket underwriting has many similarities with other forms of commercial lending.⁴² Likewise, advocates should consider the size of typical loans offered by the CDFI. Major supermarket development projects will require a CDFI partner with experience handling multi-million dollar deals, whereas CDFIs with experience with small business and microenterprise lending may be more interested in lending to small food retailers. Once a short list of potential CDFI partners has been developed, public health advocates should contact the local CDFIs for an initial meeting. Note that it may take several meetings for the two organizations to get to know each other and identify ways to collaborate.

If local CDFIs do not currently finance healthy food retail, but otherwise seem to have the capacity to take on this role, public health advocates should share information about the unmet demand for healthy food retail and the health impact of poor food access. Specific local data, particularly data that quantifies the economic impact of the problem, can help CDFIs see the market opportunity. Some public health advocacy organizations have partnered with business graduate school programs or economic consulting firms to estimate the value of grocery dollars spent outside the area (known as "leakage"). Advocates can also share examples of the role other CDFIs have played in financing healthy food retail and educate CDFIs on available public funding. CDFIs new to the field of healthy food financing may be interested in the specialized technical assistance available from the CDFI Fund.⁴³



STEP 2: WORK TOGETHER TO ATTRACT NEW FUNDING

In many communities, the second step in forming a partnership between public health organizations and CDFIs is to work together to attract new funding for healthy food retail development. Public health organizations and CDFIs should work together to educate local and state leaders on the opportunities for healthy food retail development. In some places, advocates have decided to convene a multi-sectorial task force to identify solutions, provide testimony to elected officials, and raise the visibility of food access issues. CDFI staff should be invited to participate in these efforts, both to learn about the potential positive impact of new stores but also to contribute their perspective as a lender. Even when CDFIs have not yet developed healthy food retail lending programs, CDFIs bring expertise in small business lending and community economic development in low-income neighborhoods. Partnerships between public health advocates and CDFIs can be a particularly effective way to build political support, combining a message of health and economic impact.

Public health practitioners may also be able to support CDFI's healthy food retail initiatives by collaborating on funding proposals. Public and private funders with an interest in health may see food retail development as a powerful tool to address both health and economic disparities. Health funders may bring grant dollars or flexible loans to projects, which can be very useful for more complicated or risky food retail projects. In addition, some foundations use program related investments (PRIs) to incentivize healthy food retail development. CDFIs can use these more flexible funds to attract additional private investment. Health funders may have a special interest in evaluating the public health impact of proposed project. This kind of evidence can be useful in attracting additional funding down the road.

STEP 3: COLLABORATE ON PROJECT IMPLEMENTATION

Public health practitioners and CDFIs can partner to create political and community support for new food retail development. The support of elected officials and local government staff for grocery store development projects can be critical at many stages of the development process, from land assembly to acquiring permits and approvals.

In communities with active healthy food retail lending programs, public health advocates can partner with CDFIs to involve community residents at many stages of healthy food retail development. Early in the process, public health organizations can work with residents to establish unmet demand and identify community priorities. Advocates can conduct outreach to residents and community-based organizations, engage neighborhoods in food access mapping, and hold community hearings to gauge community support. Once the store is built, public health practitioners can help build demand for new healthy offerings through in-store taste testing and other forms of nutrition education, as well as onsite clinical and social services. Effective community engagement can help remove some of the uncertainty for the project developer. Involving the community early on also ensures that the store will be successful once it opens its doors.

As in any successful collaboration, partners should play to their strengths. For public health organizations, these strengths include data analysis, community outreach, and public education. CDFIs' strengths include comprehension of the demand, ability to raise capital, and a set of financial tools that meet the needs of healthy food retailers. Together, CDFIs and public health advocates can bring new sources of fresh, affordable food to communities that need it most.

APPENDIX A: Chart of HFFI-FA Awardees 2011-2013⁴⁴

NAME	HEADQUARTERS CITY, STATE	WEBSITE
Access to Capital for Entrepreneurs	Cleveland, GA	www.ace loans.org/
ACCION Texas, Inc.	San Antonio, TX	www.acciontexas.org/
ASI Federal Credit Union	Harahan, LA	www.asifcu.org
Boston Community Loan Fund	Boston, MA	www.bostoncommunitycapital.org/what/loan-fund
Chicago Community Loan Fund	Chicago, IL	http://cclfcchicago.org/
Cincinnati Development Fund	Cincinnati, OH	www.cincinnati-developmentfund.org/
Coastal Enterprises, Inc.	Wiscasset, ME	www.ceimaine.org/
Colorado Enterprise Fund	Denver, CO	www.coloradoenterprisefund.org/
Common Capital, Inc.	Holyoke, MA	www.common-capital.org/
Community Ventures Corporation, Inc.	Lexington, KY	www.cvcky.org/
Cooperative Fund of New England	Amherst, MA	www.cooperativefund.org/
IFF	Chicago, IL	www.iff.org/
Local Enterprise Assistance Fund	Brookline, MA	http://leaffund.org/
Local Initiatives Support Corporation	New York, NY	www.lisc.org/
Low Income Investment Fund	San Francisco, CA	www.lifund.org/
South Carolina Community Loan Fund (formerly Lowcountry Housing Trust)	N. Charleston, SC	www.sccommunityloanfund.org/
NCB Capital Impact	Arlington, VA	www.ncbcapitalimpact.org/
Neighborhood Housing Services of Dimmit County, Inc.	Carrizo Springs, TX	No website
Nonprofit Finance Fund	New York, NY	http://nonprofitfinancefund.org/
Opportunity Finance Network	Philadelphia, PA	http://ofn.org/
The Reinvestment Fund, Inc.	Philadelphia, PA	www.trfund.com/
Self-Help Federal Credit Union	Durham, NC	www.self-help.org/

Appendix B: Healthy Food Financing Programs Funded by State and Local Government^{45*}

LOCATION	PROGRAM NAME	ADMINISTRATORS	FUNDING SOURCES	TYPES OF FINANCING
CA	California FreshWorks Fund www.cafreshworks.com	<ul style="list-style-type: none"> The California Endowment NCB Capital Impact Emerging Markets 	The California Endowment and other private funding: To date, approximately \$264 million raised from a variety of private investors.	<p>Loans: Up to \$8 million</p> <p>Grants: Up to \$50,000.</p>
CO	Colorado Fresh Food Financing Fund www.chfainfo.com/CO4F	<ul style="list-style-type: none"> The Colorado Health Foundation Colorado Enterprise Fund Progressive Urban Management Associates 	The Colorado Health Foundation commitment: \$7.1 million. Goal is to leverage an additional \$20 million in other public and private funding.	<p>Loans: Up to \$1.5 million per project.</p> <p>Grants: May not exceed \$100,000 per project, except in extraordinary, high-impact cases.</p>
IL	Illinois Fresh Food Fund www.iff.org/illinois-food	<ul style="list-style-type: none"> IL Department of Commerce and Economic Opportunity IFF 	Seeded with a \$10 million grant from the IL Department of Commerce and Economic Opportunity. IFF has committed to matching the state dollars 3:1. Additionally, \$3 million in funding has been secured by IFF through the national Healthy Food Financing Initiative.	<p>Loans: Typical loans range from \$250,000 to \$1 million</p> <p>Grants: Grants are only available to those who are also applying for a loan. The grant amount can be up to 10% of the loan amount, not to exceed \$100,000.</p>
LA	New Orleans Fresh Food Retailer Initiative www.hope-ec.org	<ul style="list-style-type: none"> City of New Orleans Hope Enterprise Corporation The Food Trust 	Federal and private funding. Seeded with \$7 million in Disaster Community Development Block Grant funds. Matched 1:1 with HOPE investment.	Loans: Provides forgivable and interest-bearing loans up to \$1,000,000, of which the total portion of forgivable loans may not exceed \$500,000.
NJ	New Jersey Food Access Initiative www.trfund.com/financing/Healthy_food/NJ_HealthyFoodRetailInitiative.pdf	<ul style="list-style-type: none"> NJ Economic Development Authority (NJEDA) The Reinvestment Fund 	To date, financial partners include: NJ Economic Development Authority (\$4 million), Living Cities (\$2 million credit) and the Robert Wood Johnson Foundation (\$10 million program-related investment).	<p>Loans: Range in size from \$200,000 to \$4.5 million or larger for New Markets Tax Credit transactions.</p> <p>Grants: Range in size from \$5,000 to \$125,000. Recoverable Grants: Early-stage financing with no-interest loans, typically repaid by construction financing.</p>
NY	New York Healthy Food & Healthy Communities Fund www.lifund.org/nyhealthyfood	<ul style="list-style-type: none"> NY Empire State Development Corporation Low Income Investment Fund (LIIF) The Reinvestment Fund The Food Trust 	Seeded with \$10 million from the state's Empire State Development Corporation. Matched with a \$20 million commitment from The Goldman Sachs Group, Inc. LIIF also received a \$3 million national HFFI award in 2011.	<p>Loans: Range in size from \$250,000 to \$5 million or larger for New Markets Tax Credit transactions.</p> <p>Grants: Range in size from \$5,000 to \$500,000 for capital grants and \$5,000 to \$200,000 for predevelopment grants.</p>

<p>OH</p>	<p>Cincinnati Fresh Food Financing Fund mediad.publicbroadcasting.net/p/wvwxu/files/201210/Cin_reportFINAL.PDF</p>	<ul style="list-style-type: none"> Center for Closing the Health Gap Cincinnati Development Fund 	<p>\$15 million over 3 years from the city. Funds appropriated by the city's Focus 52 allotted funds, sponsored by Cincinnati's Department of Trade and Development.</p>	<p>Loans: Pending Grants: Pending</p>
<p>PA</p>	<p>Pennsylvania Fresh Food Financing Initiative www.trfund.com/financing/Healthy_food/FreshFoodFinancing.html</p>	<ul style="list-style-type: none"> PA Department of Community and Economic Development The Food Trust The Reinvestment Fund Urban Affairs Coalition 	<p>Seeded with \$30 million from the state's Department of Community and Economic Development. Matched with \$146 million in additional public and private investment.</p>	<p>Loans: Maximum loan amount subject to TRF's current lending exposure policies Grants: Up to \$250,000 per store and \$750,000 in total for one operator. Extraordinary grants of up to \$1 million were made available for projects with high potential for serving areas of extreme need.</p>
<p>National</p>	<p>Healthy Food Financing Initiative www.acf.hhs.gov/programs/ocs/programs/community-economic-development/healthy-food-financing</p> <p>Regional Example: IFF's Healthy Food Access Program</p>	<ul style="list-style-type: none"> U.S. Departments of Treasury, Agriculture, and Health and Human Services HFFI grantee IFF administers funds in Illinois, Indiana, Iowa, Kansas, Missouri and Wisconsin. 	<p>To date, the U.S. Department of Treasury (CDFI Fund) has allocated \$47 million and the U.S. Department of Health and Human Services (Office of Community Services) has allocated \$20 million.</p> <p>CDFI Fund of the U.S. Department of Treasury (through the HFFI program) commitment: \$9 million over three years. Matched with funds from banks, foundations and other financial institutions. The program will invest approximately \$30 million in a variety of predevelopment and capital projects that support an increase in access to healthy and fresh food in high-need communities.</p>	<p>Financing packages vary. HFFI dollars are given to Community Development Financial Institutions (CDFIs) and Community Development Corporations (CDCs) to disseminate to projects in their regions.</p> <p>Loans: No minimum or maximum requirements.</p>

*There are additional CDFI healthy food funding programs that do not receive public funding.

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