

Public-Private Partnership Primer

Introduction

Public-private partnerships (PPPs or P3s) are government initiatives or private business ventures that are funded with dollars from both the public and private sectors. PPPs have been implemented across the country in the form of local, state, and federal financing programs to promote healthy food retail. By helping retailers overcome the high cost related to food retail development, these programs help grocers and other vendors grow their businesses and increase access to healthy food in underserved communities.

The premier PPP for healthy food retail is the Pennsylvania Fresh Food Financing Initiative (FFFI). This grant and loan program, created in 2004, has been celebrated for its robust impact across the state including:

- **approving funding for 88 fresh food retail projects,**
- **improving access to healthy food for more than 400,000 PA residents,** and
- **creating or retaining more than 5,000 jobs** (see case study below)
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This Pennsylvania FFFI public-private partnership has influenced the launch of similar PPP initiatives across the country.

- Regional fresh food financing initiatives implemented as public-private partnerships throughout the country are described in a table [click here](#) .
- For a description of the implementation process and potential roles of each organization in implementing a public-private partnership, go to The Food Trust's "[Healthy Food Financing Handbook](#)."

Key Components

Essential to PPPs is both flexibility and the involvement of a government agency with one or more of the following entities: foundations, community development financial institution (CDFI)/financial intermediary, and/or a food access organization (FAO).

Role of Government Agencies

Across the country, government agencies such as economic development departments, health departments, and planning departments at various levels of government have provided seed money to launch healthy food retail financing programs. In many cases, policy leaders and food access organizations have advocated for these programs with great success.

To learn about government agencies that seeded healthy food partnerships, go to the following resources:



- Empire State Development, New York Healthy Food & Healthy Communities Fund [view here](#)
- New Jersey Economic Development Authority, New Jersey Food Access Initiative [view here](#)
- City of New Orleans, Fresh Food Retailers Initiative [view here](#)
- Illinois Department of Commerce and Economic Opportunity, Illinois Fresh Food Fund [view here](#)

Role of Foundations

Philanthropic and charitable foundations can play the role of a government agency by providing seed money and support for healthy food retail financing programs. In California, California FreshWorks Fund's lead investor and primary proponent is The California Endowment, a statewide health foundation concerned with building healthy communities. Foundations can support healthy food financing partnerships by providing seed funding and overseeing program implementation.

- To learn more about the California FreshWorks Fund, go to <http://www.cafreshworks.com/>.
- To learn more about The California Endowment, go to <http://www.calendow.org/>.

Role of Community Development Financial Institutions

Community development financial institutions (CDFIs) can play a vital role in implementing healthy food retail programs. They provide expertise in making financial deals with a level of risk that traditional lenders may be unwilling to accept and they can aggregate capital from a variety of public and private sources. CDFIs can support healthy food financing partnerships in the following ways:

- Confirming applicant eligibility based on program requirements
- Reviewing business plan of applicants
- Awarding financing packages to qualified applicants
- Managing loan funds
- Leveraging private funding
- Overseeing the provisions of financing and technical assistance



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Here are a few examples of CDFIs that are managing fresh food retail partnerships across the country:

- The Reinvestment Fund (TRF) in Pennsylvania and New Jersey at [view here](#)
- Low Income Investment Fund (LIIF) in New York [view here](#).
- IFF in Illinois [view here](#)
- Hope Enterprise Corporation in New Orleans [view here](#)
- NCB Capital Impact in California [view here](#)

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Are you a CDFI working on a fresh food retail project? If so, let us know. (info@healthyfoodaccess.org)

Role of Food Access Organizations

A food access organization (FAO), or similar nonprofit with experience working on food access issues in low-income communities, can market the program to industry and community stakeholders to ensure available funds target areas of need and attract a robust pipeline of applicants so the funds are disseminated quickly. In addition, an FAO can advocate for community need in underserved communities. In the past, these organizations have played a critical role in implementing programs across the country, including:

- Developing program guidelines and materials with CDFIs
- Conducting outreach and marketing to food retailers
- Determining eligibility for applicants
- Advocating for community need in underserved communities

Examples of organizations playing the role of an FAO include:

- The Food Trust (Pennsylvania, New York, and New Orleans) at <http://www.thefoodtrust.org/>
- Emerging Markets, Inc. (California) at <http://www.emergingmarkets.us/>

Are you a food access organization working on a fresh food retail project? If so, let us know. (info@healthyfoodaccess.org)

To learn more about existing partnerships for healthy food retail and potential funding available, go to the resources below, or to read descriptions about each program, go to the “[Find Money](#)” and “[Policy Efforts](#)” sections of the portal.

- [Healthy Food Financing Initiative \(HFFI\)](#)
- [Pennsylvania Fresh Food Financing Initiative](#)
- [New York Healthy Food & Healthy Communities Fund](#)



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- [New Orleans Healthy Food Retailers Initiative](#)
- [New Jersey Food Access Initiative](#)
- [Illinois Fresh Food Fund](#)
- [California FreshWorks](#)

To learn more about how to advocate for the creation of public-private partnerships to support fresh food retail in your region, go to *How to Build a Policy Effort Primer*

Case Study of Successful PPP: The New York Health Food & Healthy Communities Fund (HFHC)

The New York Healthy Food & Healthy Communities Fund is a \$30-million program created by former New York Governor David Paterson to provide grants and loans to supermarkets investing in new or expanded businesses in underserved communities statewide. This public-private partnership program was seeded with a \$10-million investment from New York's Empire State Development Corporation and Department of Agriculture and Markets. The program is administered by the Low Income Investment Fund, a community development financial institution that creates tailored financial packages of grants and loans for the construction and expansion of eligible supermarkets. The Food Trust screens applicants to ensure that investments are made in areas of need. Goldman Sachs provided an additional \$20-million in loan capital for the program, and the New York State Health Foundation provided a grant to help cover the costs of managing the fund.

For more information on the initiative, go to <http://www.liifund.org/nyhealthyfood>.

To learn more about how healthy food retail partnerships operate, go to the following resources:

- *Financing Healthy Food Options: Implementation Handbook* [view here](#).
- Healthy Food Financing Handbook with implementation and roles of each org

