FEATURED SPEAKERS

Caroline Harries
Associate Director
The Food Trust

Julia Koprak
Program Manager
The Food Trust

Sajan Philip
Loan Officer
Low Income Investment Fund

Gary Williams
Senior Vice President
Hope Enterprise Corporation

Financing Healthy Food Retail 2.0: Tools and Resources for Effective Program Implementation

Support for the Healthy Food Access Portal was provided by a grant from the Robert Wood Johnson Foundation.
PolicyLink is a national research and action institute advancing economic and social equity by Lifting Up What Works®. www.policylink.org

The Reinvestment Fund is a national leader in rebuilding America’s distressed towns and cities through the innovative use of capital and information to finance projects related to housing, community facilities, food access, commercial real estate, and energy efficiency in the Mid-Atlantic. www.trfund.com

The Food Trust is a nonprofit founded in 1992 to make healthy food available to all by working with neighborhoods, schools, grocers, farmers and policymakers to develop a comprehensive approach that combines nutrition education and improving access to affordable, healthy food. www.thefoodtrust.org
In hundreds of neighborhoods across the country, nutritious, affordable and high quality food is out of reach — particularly low-income neighborhoods, communities of color and rural areas.
Survey Slide
Welcome to the nation’s first comprehensive healthy food access retail portal.

Find resources designed to improve healthy food access in communities, build local economies, and enhance public health. Tap into a learning network that’s using retail strategies to connect consumers to healthy food.

Treasury NOFA
Up To $165 Million to Support Community Development in Low-Income Communities

Key Players
The following is a guide of many of the key players involved in a healthy food retail project.

Michelle Obama: The Business Case for Healthier Food Options
For years, America’s childhood obesity crisis

Mississippi
The Mississippi House of Representatives recently passed MS HB 798, the Healthy Food
# Who we are: Webinar Presenters

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<tr>
<th>The Food Trust</th>
<th>LIIF</th>
<th>HOPE</th>
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<tr>
<td>• National non-profit organization (based in PA)</td>
<td>• National CDFI Fund manager for New York HFHC program HFFI recipient $1.3 billion invested in communities 1.4 million people served $70 million in food retail and food security financing</td>
<td>• CDFI with core markets in Arkansas, Louisiana, Mississippi, and Tennessee Fund manager for New Orleans FFRI program Assisted more than 400,000 families for over $1.7 billion in financing</td>
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<td>• Advocates for healthy food access at the local and federal level</td>
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<td>• Manages or provides technical assistance to healthy food financing programs around the country, including PA, NY, NOLA</td>
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Partnerships for Healthy Food Financing
Healthy Food Financing: National Momentum

- More than 20 community development organizations have received funding for healthy food financing from federal, state, local and philanthropic sources.
- In the last year, over 100 new healthy food outlets planned, opened, or broke ground in underserved areas in at least 17 states across the country.
- **One billion dollar** investment in Healthy Food Retail.
So you’re interested in healthy food financing... 

Program Implementation:

1. Pipeline Development/Marketing and Outreach
2. Determining Eligibility
3. Financing Structures and Leverage
4. Case studies:
   - Whole Foods/Refresh, New Orleans, LA
   - Nojaim Bros. Supermarket, Syracuse, NY
Marketing and Outreach

CULTIVATING HEALTHY FOOD RETAIL PROJECTS

OUTREACH
Outreach to grocers, community leaders and local government

APPLICANTS
Pipeline of applicants from rural and urban regions across the state

PROJECTS
88 approved projects, 5000 jobs, improved access for 400,000 residents

The Food Trust
UITF
Hope Credit Union
Best Practices in Outreach to Grocers

- Keep it simple and clear >> Reputation of the program
- User-friendly terms and application process
- Relationships matter
- Time of year matters
- Opportunities to Connect:
  - One on one (store visit)
  - Grocers’ Association meetings
  - Wholesalers’ meetings
  - Real Estate Developers
  - Brokers/Consultants
Fund Overview

The New York Healthy Food & Healthy Communities Fund

The New York Healthy Food & Healthy Communities (HFC) Fund is an innovative public-private partnership that provides financing for capital projects to food markets located in underserved communities statewide. As part of the state’s broader Healthy Food / Healthy Communities Initiative, the HFC Fund provides financing for infrastructure costs and credit needs not typically filled by conventional financial institutions. Through this unique model, the HFC Fund aims to increase the supply of affordable, fresh food in underserved areas, improve the diet and health outcomes of the state’s residents, and spur economic development in these neighborhoods.

Financing Products

The program provides affordable financing to fund costs associated with land acquisition, predevelopment, construction or rehabilitation, equipment and infrastructure. Financing can be used for capital projects to build new markets or expand existing facilities. Loans range in size from $250,000 to $5,000,000 (or larger for New Markets Tax Credit transactions) and in some cases can be paired with a grant. See reverse for information about borrower requirements and loan terms.

Eligible Applicants

Capital loans and grants are available for eligible retail food providers committed to expanding the healthy food offerings in underserved neighborhoods, including national and regional grocery chains, individual grocery retail outlets and neighborhood food stores. Underserved areas are defined as low- to moderate-income census tracts for food market sites with customer bases of 50% or greater being in low-income census tracts with below average food market density. All applicants must accept SNAP benefits, and WIC with some exceptions.

How to Apply

To find out if your project is eligible to apply for financing through the HFC Fund, download the Pre-Application from www.nyhealthfoodnyfund.org and return the form to nyhealthyfood@nyshealth.org.

Basic Loan Terms

(September 2010)

Project Requirements

- Evidence of site control
- Location: Up to 20% of customers living in low-income tract
- Below average food market density
- 3 years of audited or unaudited financial statements
- 3-5 years of operating projections
- Real estate acquisition, construction or rehab, equipment or infrastructure

Sponsor Requirements

- Liability
- Personal guarantee
- Real estate: 10% mm
- Other: 10% mm
- Gross rental
- Non-profit, school, or government
- Secured by real estate

Financial

- Personal credit check
- Financial statements
- 3 years of tax returns
- Experience: 5 years of operating experience

Interest Rates

- 3.125% to 3.875% (fixed debt coverage)

Underwriting Requirements

- Loan to value: 60%
- Up to 7 years
- 31% debt service coverage (10-year option)
- Real estate: up to 50% of all use
- Equipment: up to 20% of all use

Loan Terms

- Predevelopment: Acquisition & Construction: Up to 1 year
- Test & Leased: Up to 7 years (with up to 25-year amortization for real estate loans)
- Loan: $250,000 to $5,000,000 (or larger for New Markets Tax Credit transactions)

Note: These terms represent general guidelines. Exceptions may be considered on a case-by-case basis. All projects that fit the general criteria of the New York Healthy Food & Healthy Communities Fund are encouraged to apply.

1. Income limitations may be applied with a grant. For more information, refer to the Program Guidance on www.nyhealthfoodnyfund.org
2. To the extent possible, financial information for the project should be provided in working draft form.
3. HFC reserves the right to limit loan and non-limiting loans will be provided at the discretion of the lead underwriter.
Project Success Stories

Foodtown – Mount Vernon, NY

MyTown Marketplace – Highland Fall, NY

Buffalo Grown Mobile Market – Buffalo, NY

The New York Healthy Food & Healthy Communities (NYHFHC) Fund is a $30 million innovative public-private partnership that provides grants and loans for capital projects to food markets located in underserved communities statewide. As part of the state’s broader Healthy Food & Healthy Communities Initiative, the NYHFHC Fund was created to increase access to fresh, healthy food and spur economic development. The project stories below highlight projects supported by the NYHFHC Fund and are providing affordable, healthy food, creating jobs and revitalizing communities.

Foodtown – Mount Vernon, NY

Foodtown is a full-service supermarket located on a prime commercial site in downtown Mount Vernon, New York, in a densely populated, low-income neighborhood where more than half of residents are uninsured and food insecure. The Market Director, Mr. Michael F., works with the store’s owner, Emily Millikan, to complete a full renovation and expansion of the store and provide more fresh foods to the community. Mr. F. is a community-minded grocer who owns another supermarket in the Bronx. He is highly involved in both locations and carries his product line to each neighborhood’s clientele.

The NYHFHC-funded renovation will include installation of energy-efficient lighting and equipment and an expansion of the store’s produce department by 2,000 square feet to accommodate a choice of fresh vegetables and fruits. The store also plans to offer food education and nutrition counseling through new enhancements. Mr. F. will be able to better serve the Mount Vernon community.

MyTown Marketplace – Highland Fall, NY

MyTown Marketplace is a new, full-service supermarket and community center to serve a new supermarket in the village of Highland Falls, New York (southern region). The area is home to a large population of seniors and families. Since it is a supermarket, this location has been providing groceries to the community with a variety of bulk sales to service the most economic area, which is 11 miles away.

Funding from the New York Healthy Food & Healthy Communities Fund will enable Mr. Rodriguez and Mrs. Vertovec to establish a grocery store in their community. The funds will allow the owners to make improvements to the store and expand the product line so that they can offer more fresh and healthy food options to the community.

In addition, MyTown will work with the local high school for after-school programs for students and offer part-time employment to seniors. The store is regulated to participate in the “Women, Infants, and Children (WIC)” program.

Buffalo Grown Mobile Market – Buffalo, NY

Buffalo Grown Mobile Market, a mobile market operated by Buffalo Grown Mobile Market, delivers mobile, locally grown, affordable produce to Buffalo’s low-income, food insecure neighborhoods. Buffalo Grown Mobile Market teams regularly are on site at Buffalo Food Hub and to participate in the Erie County Food Hub’s mobile market program. Through the program, the Mobile Market is equipped with an EBT machine and accepts SNAP benefits.

The DARE (Don’t Abuse Red Tape) project will provide mobile markets with the necessary equipment to participate in the Erie County Food Hub’s mobile market program. Mobile markets will be able to purchase a new or used EBT machine and will be able to participate in the “Women, Infants, and Children (WIC)” program to provide affordable fresh food options to those in need.

Contact Information
Low Income Investment Fund, 121 Fifth Avenue, Suite 202, New York, NY 10011 (212) 509-5010 x2600@healthyfoodatFARland.org

Funding for this program is provided by a grant from Empire State Development and support from the Goldman Sachs Group and the New York State Health Foundation.
Location, Location, Location
Determining Eligibility

FRESH FOOD FINANCING INITIATIVE

ELIGIBILITY CRITERIA

**Income**: In a Low to Moderate Income (LMI) census tract or serving residents of an LMI area

**Underserved**: In a community with limited or no fresh food retail

**Community Fit**: Meets community needs and expectations
Community Fit

- Quality of Existing Stores
- Operator Experience
- Commitment to sale of produce/fresh foods
- Community Support
- Job creation
- Access to transport
Mapping Tools

PolicyMap

USDA Food Access Research Atlas
Local verification

- Is there existing food retail within the trade area? What kind?
- Are stores correctly labeled and represented in databases?
- How far are residents traveling to the nearest grocery store?
- Is there an undocumented low-income population?
- Is there significant grocery retail leakage in the trade area?
<table>
<thead>
<tr>
<th>Data Source</th>
<th>Related Criteria</th>
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<tr>
<td>Census, American Community Survey</td>
<td>Income</td>
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<td>HUD</td>
<td>Income</td>
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<td>CDFI Fund</td>
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<td>Trade Dimensions</td>
<td>Underserved</td>
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<td>Google Maps</td>
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<td>TRF Limited Supermarket Access Study</td>
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<td>Local Grocers Association/Wholesalers</td>
<td>Community Fit, Underserved</td>
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<td>Site Visit</td>
<td>Community Fit, Underserved</td>
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<td>Store Calls</td>
<td>Underserved</td>
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<tr>
<td>Local Market Data</td>
<td>Underserved</td>
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New York Healthy Food & Healthy Communities Fund

- $30 million public-private fund for food market capital projects, created to facilitate improved access to healthy food in NY state
- Affordable financing available to fund costs associated with real estate acquisition, predevelopment, construction or rehabilitation, and equipment
- Program Impacts:
  - $26.6MM (89% of fund) closed or committed to date.
  - Fund projected to be fully deployed by 12/31/13, one year ahead of schedule.
  - Project types: Farmer’s markets, mobile markets, independent supermarket operators, and large scale urban developments.
New Orleans
Fresh Food Retailer Initiative

- $14 million program to attract grocery store development in low-income, underserved communities.
- Administered by HOPE and The Food Trust in partnership with the City of New Orleans
- Partially funded by the City’s Disaster Community Development Block Grants (D-CDBG). HOPE is providing a 1:1 match.
- Financing to open, renovate, or expand retail outlets that commits to sell fresh fruits and vegetables.
- Repayable and non repayable loans, up to $1,000,000 per store of which, forgivable loans may not exceed $500,000.
The Money...
Financing Structures and Leverage

- Making Funds attractive to grocers
- Difference in real estate/business operations lending
- Assessing candidates for financial viability
- Leveraging Funds/Match requirements
- Structuring deals with numerous partners
ReFresh/Whole Foods, New Orleans

- 60,000 sq ft mixed-used development to include: Whole Foods (smaller sq ft with focus on value), Liberty Kitchen (culinary training at risk youth), Tulane University (medical teaching kitchen)

- Total Project Costs of $19,000,000

  Uses of Funds: Acquisition, Hard/Soft Costs, Developer Fee

  Sources of Funds:
  - FFRI (forgivable + interest loan) 1,000,000
  - Newman’s Own (forgivable) 250,000
  - FFLA 500,000
  - Goldman Loan 3,000,000
  - LIIF Loan 1,500,000
  - NORLA Loan 1,000,000
  - NMTC Equity 5,500,000
  - Whole Foods Equity 5,300,000
  - Deferred Developer Equity 1,000,000
ReFresh: Before and After
Nojaim Brothers Supermarket – Syracuse, NY

- $2.25 million in HFHC financing
- Renovation and expansion of a 93 year old family-owned supermarket
- 3,000 sq ft of new retail space to be created in a low-income neighborhood with limited healthy food access
- Project will also receive tax incentives through Syracuse Industrial Development Agency, a grant from the Empire State Development Corp., and a grant from the County of Onondaga
Questions and Answers
Thank you!!

Caroline Harries, The Food Trust, charries@thefoodtrust.org
Julia Koprak, The Food Trust, jkopra@thefoodtrust.org
Sajan Philip, Low Income Investment Fund, spphilip@liifund.org
Gary Williams, Hope Enterprise, gwilliams@hope-ec.org