



Healthy Food Retail Financing At Work: Pennsylvania Fresh Food Financing Initiative

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Author: The Reinvestment Fund



I. Introduction

During the last decade and accelerating under the current administration, state and local governments, foundations, advocacy groups, financial institutions and others have been focusing on creating solutions to reduce or overcome barriers to improving access to nutritious and affordable food in low-income communities across the US. Creating, expanding, or preserving a supermarket or other fresh food retail store in an underserved low-income community can provide a vehicle to combat obesity and related health diseases in residents, as well as create opportunities for new jobs and improve the local economy.

This Implementation Handbook chapter draws on the experience of a non-depository CDFI, The Reinvestment Fund, which created and managed a statewide financing program in Pennsylvania designed to attract fresh food retailers, from large scale supermarkets to food co-operatives, to underserved urban and rural communities. This program, the Fresh Food Financing Initiative (FFFI), was created with \$30 million in seed funding from the state legislature. States and local governments across the country are earmarking funds to create healthy food financing programs for their constituents modeled after the successful Pennsylvania initiative.

The purpose of this chapter is to help CDFIs develop a basic understanding of a model healthy food financing program and how they can build upon existing lending expertise to improve access to healthy food for underserved communities in their geography by:

- Describing the essential elements of a healthy food financing program, Pennsylvania's FFFI, including types of incentives used, outcomes and illustrative case studies;
- Defining the drivers of a successful healthy food financing program; and
- Summarizing key studies and other research that The Reinvestment Fund conducted based on information collected and applicant relationships made during FFFI.

Case Studies

The following case studies support this chapter, and are found at the end of the document:

- Hill House Economic Development Corporation – Shop 'N Save (urban grocery store)
- Kennie's Market (an independent grocer)
- Romano's (an urban corner store)

II. A Successful State Model: The Fresh Food Financing Initiative

There are many strategies through which state and city governments, private funders, and community development intermediaries such as CDFIs can provide financial support to foster supermarket and grocery store developments in underserved communities. The states of Pennsylvania, Illinois, and New York, and the cities of Detroit, New York, New Orleans, and the District of Columbia have passed policies to achieve this goal by utilizing financing pools, tax or zoning incentives or a combination of the latter. The chart in *Appendix I – Summary of State and Local Strategies* provides details of the various strategies that state and local governments have deployed to improve food access in their communities by fostering the development and preservation of supermarkets and grocery stores. In just over five years, the first of these efforts, the Pennsylvania Fresh Food Financing Initiative (FFFI), has already



shown impressive outcomes in store preservation and development in urban and rural areas, improved access to healthy food, job creation and preservation, and other economic development outcomes.

Background

The exodus of supermarkets from inner-cities and rural communities left many of Pennsylvania's communities with exceptionally poor access to fresh food. In 2001, The Food Trust (TFT), a nonprofit organization that develops programs and policies to promote food access and healthy eating, released a report, *Food For Every Child: The Need for More Supermarkets in Philadelphia*, which found that low-income residents are disproportionately affected by limited food access and that the lack of supermarket access in low-income communities is also linked to the higher incidence of diet-related diseases. In response to these findings, the Philadelphia City Council charged TFT to convene a task force to produce recommendations for improving the availability of affordable, nutritious food in underserved areas. This task force was comprised of over 40 leaders and experts from city government, the supermarket industry and the civic sector. Input from the supermarket industry demonstrated that while operators were interested in locating in low-income, underserved communities, the higher costs associated with developing stores in these areas were exceptionally burdensome or their credit needs were not being filled by conventional financial institutions. To address these financing barriers, the task force recommended a statewide initiative to fund fresh food retail development.

State Representative Dwight Evans championed this recommendation, advocating for a dedicated source of state funds. In 2004, the Pennsylvania legislature enacted a nationally significant economic stimulus package. Promoted by Governor Ed Rendell and an alliance of food and farming interests, this legislation devoted \$100 million of the state's \$2.3 billion economic stimulus package to agriculture projects, including the development of grocery stores and farmers' markets in underserved urban and rural communities. TFT's advocacy and the support of State Representatives Evans, Frank Oliver and Jake Wheatley led to the allocation of \$10 million to create the FFFI in 2004; TFT, TRF, and a Philadelphia based non-profit, the Urban Affairs Coalition, were charged with implementing FFFI. The State subsequently allocated an additional \$20 million to the initiative. TRF leveraged these funds with private resources to create a comprehensive, multi-faceted \$120 million financing pool for grocery stores and supermarkets. Pennsylvania became the first state in the nation to acknowledge that a lack of supermarkets presents a threat to public health and that public resources should be committed to this issue.

The state's investment of \$30 million has attracted a total of \$194 million in private dollars (including funds from the financing pool, along with other private investment needed for the completion of projects). The success of FFFI depended on five sources of funds:

- 1) *State Grants.* Thanks to the Commonwealth of Pennsylvania, TRF had sufficient mission-motivated grant dollars to support the goal of increased access to healthy food choices. The funds supported both planning and predevelopment grants which preceded a project's use of debt. Not every project is appropriate for debt. This program allowed both to find appropriate support.
- 2) *Credit Enhancement.* The Commonwealth of Pennsylvania's grant served as the equity that TRF needed to serve as loan loss reserve to attract and create a syndicated bank partnership. This



- pool of capital may have been drawn to the program for CRA (mandate) value but also expected a product that could offer more market-based returns.
- 3) *Bank Partnership.* A JPMorgan Chase-managed syndicated bank partnership provided debt capital at scale. While requiring closer to market-based returns, this partnership allowed other efficiencies in terms of cost.
 - 4) *New Markets Tax Credits.* TRF was fortunate enough to receive several NMTC allocations in the past. TRF was able to use this Federal tax incentive program to encourage many large, market investors to invest in food retail projects in underserved communities. Many of these communities also had higher rates of unemployment, poverty and low-income residents, making them eligible for NMTC.
 - 5) A key component of TRF's continuum of capital is its own core Loan Fund. Primarily mission-driven capital, this fund was able to add flexibility to many of the loan products.

FFFI provided a range of financing resources such as pre-development grants and loans, land acquisition, construction, leasehold improvement and equipment financing, capital grants for project funding gaps and construction, and permanent financing. In June 2010, the grant portion of FFFI formally ended with the exhaustion of available funds. TRF continues to manage the loan portion of FFFI as the initial loan financing pool created was intended to be revolving in nature.

Financing

FFFI's success was the result of streamlined programmatic structure and flexible financing. Using a combination of grants and loans, FFFI met the financing needs of supermarket operators who sought to operate in communities where infrastructure costs were often higher and credit needs were unmet by conventional financial institutions. Once a project was deemed eligible by TRF for FFFI financing because of location in an underserved community, the program's flexibility combined with TRF's lending expertise enabled TRF to determine the optimal financing structure for the project in a timely manner. This analysis required a good working knowledge of the grocery industry and local market conditions. TRF innovated the financing program over time, introducing new capital sources or adjusting existing sources to better respond to operators' needs. After determining the optimal financing structure, TRF disbursed funds and, using its existing credit administration structure, monitored grantees and borrowers to ensure compliance with program guidelines.

FFFI had four financing components:

- Grants going directly to operators and/or developers;
- Loans from a bank-syndicated supermarket loan fund;
- Loans from TRF's own Core Loan Fund or Energy Funds; and
- Federal New Markets Tax Credit (NMTC) program.

Each of these financial products, designed to provide an appropriate level of support for stores, offered unique benefits and flexibility. The program did not attempt to subsidize supermarkets that were otherwise economically infeasible, but rather provided an incentive that encouraged viable supermarket operators and developers to select sites in underserved areas. Through the underwriting process, TRF carefully assessed which funding source and financial package – likely a combination of grants (when



available), loans and NMTCs – best matched a particular project’s features and needs. The following sections briefly detail the financing tools that TRF had available to structure these packages:

Grant Products:

To qualify for an FFFI grant, a supermarket had to be located in a low- to moderate-income census tract and in an area that was underserved – defined as an area where residents have inadequate access to full-service supermarkets. If a store was not located in a low- or moderate-income census tract but more than 50% of its customer base was from a low-income census tract, the store might still have qualified for FFFI grant resources.

These eligibility requirements were designed to provide maximum support for stores in areas with both lower-incomes and underserved residents (eligible for both grant and loan funds), as well as adequate support for stores in lower income areas that were not necessarily underserved (eligible for loan funds only). Two types of grants were available:

1. Standard Grants: up to \$250,000 per store and \$750,000 in total for one supermarket operator; and
2. Extraordinary Grants: up to \$1 million for a project showing high potential to maximize debt and equity; demonstrating efficient use of grant resources; creating a significant number of high-quality jobs; having substantial economic impact in line with broader neighborhood development plans; and addressing a lack of fresh food outlets in very low-income communities (required additional programmatic approvals).

Eligible uses for grants included pre-development grants for early costs associated with project feasibility, such as professional fees, market studies, appraisals and deposits on land, buildings and other holding costs; land assembly and capital grants for relocation, demolition, environmental remediation, infrastructure improvements and energy-efficiency investments; soft costs and other preopening costs for training costs, security and other preopening expenses; and construction grants for general conditions, builder overhead and profit, labor, materials and contingency funding.

Loan Products:

TRF carefully assessed which capital source best matched a particular project’s features and needs. The bank-syndicated loan fund was a \$40.5 million loan pool dedicated exclusively to financing supermarkets. The pool comprised a \$32.4 million syndicated bank partnership led by JPMorgan Chase Bank with investments from Wachovia, PNC Bank, Merrill Lynch CDC, HSBC and Citizens Bank. It was credit-enhanced¹ by \$8 million in subordinated debt provided by TRF utilizing grant funds from the Commonwealth of Pennsylvania. The most prescriptive of the financing vehicles, this fund offered five- and seven-year loan products and was used to finance equipment, acquisition, construction, renovation, leasehold improvements and energy-efficiency measures.

¹ Credit enhancement is a means of reducing a lender’s risk through the provision of collateral, subordinated debt, guarantees, insurance, or other agreements. These increase the likelihood that the lender will be repaid if the borrower defaults on its loan.



TRF's Core Loan Fund, which TRF had grown and managed for more than 20 years, encompassed investments from individual, religious, institutional and financial investors to be used in support of TRF's mission. With flexible terms and products, the Core Loan Fund has provided an attractive alternative funding source to those projects for which the bank-syndicated loan fund does not fit (e.g., very small projects, those requiring shorter terms than those offered by the bank syndication or those with a high likelihood of early repayment which would trigger prepayment penalties under the bank syndication).

TRF received three NMTC allocations totaling \$278.5 million in the duration of FFFI and identified supermarkets as one of three priority project types for that financing. Though the NMTC program has complex structural and reporting requirements, its flexible terms and long-term tax advantages enabled TRF to provide attractive financing, including equity, to several larger store projects. In total, TRF invested \$70.9 million in NMTCs for supermarkets as part of FFFI.

III. FFFI Outcomes and Drivers of Success

Outcomes

FFFI has been hailed for its flexibility and ability to serve a diverse constituency. Projects financed through FFFI have ranged in size from large, full-service supermarkets in urban neighborhoods to small grocery stores in rural areas. Approved urban stores have typically ranged from 17,000 to 69,000 square feet, with full-service supermarkets employing 150 to 200 full- and part-time employees and having weekly sales of \$200,000 to \$500,000. Many urban stores are managed by independent operators who own several stores. Approved stores in rural areas tend to be family-owned businesses ranging in size from 12,000 to 22,000 square feet, with 10 to 84 full- and part-time employees. FFFI attracted 206 applications from across Pennsylvania, with 93 applications representing 88 projects approved for funding as of June 2010. Other quantifiable outcomes of FFFI are detailed below:

Supermarkets and Grocery Stores. Since its initiation in 2004, FFFI has committed more than \$73.2 million in loans and \$12.1 million in grants to preserve, develop, or expand 88 food retail projects in underserved low- and moderate-income neighborhoods in urban areas like Philadelphia and Pittsburgh as well as rural areas like Derry and Williamsburg. Currently all grant funds have been disbursed and over 90% of loan funds have been disbursed. When completed, these 88 projects will represent 1.67 million square feet of preserved or newly developed commercial space.

Job creation. FFFI projects created or retained 5,023 jobs throughout the state. A recent case study of selected supermarkets in the Philadelphia region suggests that the vast majority (75%) of part-time jobs, which constitute 84% of all positions, were filled by local residents (living within 3 miles of their workplace)¹. Also, a new store that is a part of the regional ShopRite chain that located in southwest Philadelphia created 258 jobs, over half of which went to local residents¹.

Increased neighborhood vitality. A case study assessing the impact of two new and improved grocery stores on neighborhood housing values in Philadelphia found that the values of nearby homes located within ¼ to ½ miles of the selected stores increased by four to seven percent (an average of



\$1,500), mitigating the downward trend in real estate values, especially in neighborhoods with weaker housing markets where the effect was larger².

Improved Access to Healthy Food for Low-Income Consumers. There are now markets in Pennsylvania selling healthy food to low-income consumers who for years had no options other than corner stores selling a limited selection of food. Over 400,000 residents have benefited from increased access to healthy food³.

Drivers of Success

The FFFI's many positive outcomes, in terms of stores, jobs, neighborhood revitalization, and increased fresh food access for underserved communities, have been driven by several key program features:

Broad Civic, Public Sector and Private Sector Support for the program including well positioned public and private sector champions.

Existing Capacity including having a financial intermediary as a partner able to use its relationships to aggregate private capital and its organizational structure and processes to quickly underwrite and service projects.

Data-Based Approach allowed partners to understand the spatial gaps in fresh food availability, the nature of the local food industry, as well as the cost and development barriers experienced by entrepreneurs.

Flexible Program Design based on the following principles: smart subsidy, private sector leverage, focused eligibility criteria, financial product breadth, and market flexibility.

Each of these four success drivers is important; however, the fourth point on program design requires special attention.

Smart Subsidy refers to the notion that public or philanthropic grant support can be used in support of an entrepreneurial venture if it pays for costs that no firm or investor could reasonably occur. Smart subsidy in FFFI pays for costs related to land assembly, public safety, work force preparedness and more. Prior to the FFFI, Pennsylvania did not have any funding programs available that could adequately address the multi-faceted needs of fresh food retail development.

Private Sector Leverage refers to the fact that the public allocation was matched by private dollars on a 3:1 basis. The basis for the match was flexible and included owner's equity contribution, debt from financial institutions, grants from philanthropy, and federal New Markets Tax Credits.

Focused Eligibility Criteria refers to the fact that the provision of high quality fresh food in low- to moderate-income underserved communities is the primary requirement for all FFFI applicants. While proposed projects are prioritized based on considerations such as adherence to sound land use principles, likely local and regional economic impact, and coordination with municipal or community priorities such as equitable development, energy conservation, and transit-oriented development, these characteristics are not requirements for funding. By keeping the eligibility criteria focused, the



program has been successful in incentivizing fresh food retail projects without placing overly burdensome requirements that can become deterrents.

Financial Product Breadth refers to the expansive financial product selection the FFFI offered including grants, acquisition, construction, business and equipment loans, and equity investments. This wide range allowed the program maximum capacity to meet the financial requirements of a diverse applicant pool, which included local redevelopment authorities desiring to support a year-round farmers' market or attract a mid-size grocery operator as well as large regional supermarket operators planning to refresh or expand an existing store.

Market Flexibility connotes that the financial intermediary can respond to shifts in the market place in terms of pricing, risk and other factors rather than being hemmed in by a pre-existing program that cannot make adjustments. Supermarket operators and grocery store have been impressed by the speed with which projects have been underwritten and funds have been disbursed for projects.

IV. Research Lessons from FFFI

TRF is committed to understanding the impacts of its work throughout its entire portfolio. To inform both the current program and any replication efforts, six evaluations are currently underway or have been completed for FFFI. Four of these are described herein:

1. In spring 2010, TRF undertook a nationwide study to determine how many Americans have inadequate access to a supermarket. The basic analysis is available on the PolicyMap platform and allows users to plot identified Low Access Areas (LAA) for free, including LAA location, the number of limited service grocery stores in an LAA and the percentage of grocery retail expenditure leakage in an LAA. Users can overlay food data with other available information such as demographics, income, health, crime and more to learn about the nature of these areas.
2. In a follow-up study to the Low Access Area study, TRF analyzed the supermarket industry in terms of market structure. Specifically, the goal was to assess the level of competition faced by supermarkets within both metropolitan and non-metropolitan areas.
3. In September 2007, the U.S. Department of Treasury's CDFI Fund awarded TRF a grant to evaluate the efficiency and impact of FFFI. In this study, TRF examined the significant difference in operating costs of supermarkets in distressed and non-distressed areas, and evaluated the impact of FFFI financing on reducing or removing these higher costs. The study also evaluated subsidy programs designed to promote economic development and compared their effectiveness to FFFI¹.
4. TRF contracted with Econsult, an economic analysis consulting firm, to conduct an econometric analysis of supermarket impacts using an FFFI-funded store as one of the study subjects. The study examined the supermarket's impacts on economic activity, employment, earnings, tax revenue and real estate values².

Low Access Area Study Highlights

As a result of our comprehensive effort to improve access to healthier foods in low-income communities, TRF undertook a nationwide study to determine how many Americans have inadequate access to a supermarket. Our study identified "Low Access Areas" (LAAs), areas that have inadequate access to supermarkets. The analysis was based on the distance residents are required to travel to shop for food in



combination with two factors that significantly influence how far households can be expected to travel to shop for food: the area's population density and car ownership rate. TRF's LAA analysis was derived using the Trade Dimensions database provided by The Neilson Company, a private, for-profit data supplier. Although there are less costly alternative datasets available, the Trade Dimensions database is the only one with the level of descriptive information required for this analysis. The following are some of the findings from the study:

- 24.8 million people (8.1%) live in low access areas.
- Of these people, 6.2 million (25%) are under age 18 and 3.2 million (13%) are over age 65.
- 9.2 million of our nation's households (8.0%) live in low access areas.
- Those households earning less than \$35k are 1.5 times more likely to live in low access areas compared to those earning \$75k or more.

Based on the LAA analysis, TRF can further customize research and data for federal agencies, state and local governments, foundations and other policymakers trying to:

- Understand the aggregated characteristics of the LAA population in their areas;
- Understand the severity and location of food access problems within an area;
- Design, evaluate or quantify the impact of lending programs to finance supermarket development; or
- Understand the level of competition within a market place dominated by one or two food purveyors as opposed to many.

Market Structure Analysis Highlights

In addition to identifying Low Access Areas, TRF analyzed the supermarket industry in terms of market structure. The goal was to assess the level of competition faced by supermarkets within both metropolitan and non-metropolitan areas. While it can be assumed that relatively few supermarket owners exist in a given area, the degree to which one owner dominates the area's market can affect smaller owners' ability to be successful.

Using a 13-state sample, TRF researched the number of supermarket owners in MSAs and non-MSAs with significant market share. TRF found supermarket "oligarchies" (a small number of owners) ranged in intensity throughout the studied regions. Both tight oligarchies with few owners and loose oligarchies with more owners were identified, based on the entities' control of the majority market share. Los Angeles, for instance, features a loose oligarchy. Market share is much less concentrated in the hands of one owner, with the largest owner controlling just 13% of total market share. In Chicago, however, a single owner controls 33% of total market share – twice that of the largest owner in Los Angeles. At least one MSA in Pennsylvania, part of TRF's target area, has a tight oligarchy as well.

TRF also sought to determine if markets tend to be more or less dominated by fewer supermarket owners in rural versus urban areas. Results in concentration by supermarket owners also varied significantly by geographic category. The study concluded that market share tends to be highly concentrated in rural areas – generally more so than in urban areas.



TRF’s market structure analysis provides a better understanding of how concentrated market share is in the supermarket industry and suggests the difficulty of market penetration within a region. In TRF’s experience with FFFI, regions with relatively high concentrations of market share are more difficult to penetrate by local and regional owners who do not already control a significant market share.

TRF will pursue this research further to identify the extent to which concentrated market share is a barrier to market entry. Knowledge of such a barrier could help policymakers and loan fund managers tailor their policies and financing programs to accommodate the competitive climates in their respective regions. If a concentrated market proves to prevent smaller supermarkets from competing locally, the next step might be addressing how additional supermarkets in underserved communities could still be financed. Used in conjunction with TRF’s LAA analysis, TRF’s study on market structure could help create more efficient strategies for improving access to healthy foods.

CDFI Fund Study Highlights

Understanding the nature of supermarket operators’ costs in urban and suburban locations is important to creating effective public policy. In this study funded through a grant from the CDFI Fund, TRF observed that its approach to supermarket financing, which taps different funding streams depending on a project’s need, consistently helps compensate supermarket operators for the additional start-up costs associated with locating stores in economically distressed communities. While the financing that TRF offers can help a store operator overcome location-dependent start-up costs, it is not intended to ensure long-term profitability in the face of unsustainable operating expenses. TRF considers this to be smart subsidy, whereby subsidy acts as a catalyst for economic development as opposed to a long-term source of operating support that perpetuates unsustainable markets.

TRF explored the extent of urban/suburban cost differences, the effectiveness of subsidy programs, and the impact of supermarket development, in large part, by studying Brown’s ShopRite (BSR). BSR is a chain of supermarkets in the Philadelphia area that shared with TRF information about its costs, employees and shoppers. Using these data to analyze the chain’s five urban and five suburban stores, TRF found that there are location-specific cost differences that make developing and expanding supermarkets in urban areas more expensive than doing so in suburban locations.

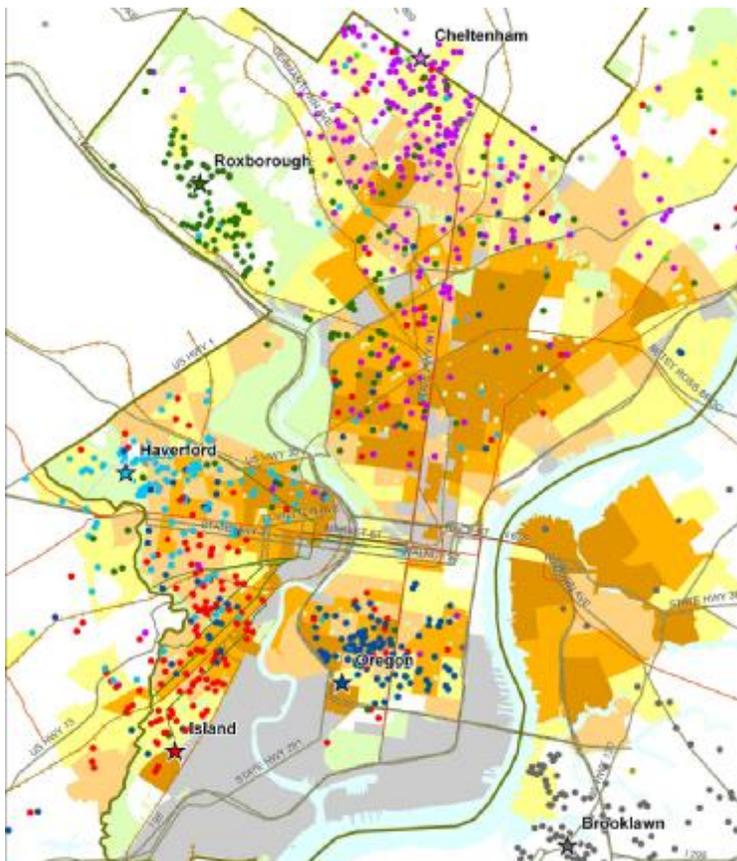
Start-up costs for the chain’s urban stores were considerably higher than for its suburban stores. BSR records showed that it costs nearly seven times more to train employees in urban stores than in suburban stores at time of start-up. Security costs also run higher: it costs approximately five times more per year to staff security-related positions in the urban stores than in the suburban stores because of the need for more security employees. Security equipment within the stores is also expensive. While all stores in the BSR chain have monitoring equipment, BSR reported that it invests more heavily in equipment for its urban stores.

This study also found three statistically significant operating cost differences between BSR’s urban and suburban stores:

- 1) ongoing staff training costs are higher for urban stores;
- 2) maintenance costs are higher for urban stores;
- and 3) real estate taxes are higher for suburban stores, likely due to Philadelphia’s atypical approach to estimating the value of real estate.

These cost differences discourage supermarket development in inner-city communities. Consequently, residents of these areas have to travel outside their neighborhood to find affordable food options or they must shop at smaller, more expensive nearby stores. Shoppers who can easily travel to the suburbs do so, taking their grocery dollars outside of the city to neighboring municipalities, depriving the city of much-needed tax revenue. Moreover, the dollars they spend help support the creation and retention of jobs in suburban neighborhoods instead of in their own neighborhoods, where steady employment is often difficult to find.

Shoppers who cannot economize by traveling to the suburbs must spend a larger portion of their grocery budget to purchase the same amount of food from smaller stores, where both the selection and quality of goods is often inferior. If these shoppers cannot afford to shop at higher-priced nearby stores they may make the difficult to choice to go without certain foods altogether.



Map 1. Residence of ShopRite Employees by Poverty Rate of Census Tract. Each star on the map represents a Brown’s ShopRite store, with the residence of the store’s employees illustrated by correspondingly colored dots.



As part of the study, TRF studied the impacts of supermarket development by analyzing the characteristics of BSR and other supermarkets TRF financed throughout Pennsylvania. The study found that:

- TRF-financed supermarkets are located in economically distressed communities;
- BSR's frequent shoppers live in the communities in which they shop;
- TRF-financed supermarkets are located in areas with limited supermarket accessibility;
- BSR's urban-store employees live in distressed communities near the stores in which they work (See Map 1);
- BSR's urban supermarkets bring new job opportunities to residents in distressed communities;
- BSR's urban-store employees earn wages comparable to those of their suburban and industry peers;
- BSR's urban-store employees receive wage increases comparable to those of their suburban and industry peers; and
- TRF-financed supermarkets act as retail anchors in their communities.

Econsult Study Highlights

To assess the impact of the selected supermarkets, Econsult looked at three commonly suggested benefits of developing supermarkets in areas served by only small grocers, convenience stores or pharmacies with food departments:

1. **Improved Real Estate:** Supermarket development could improve the overall attractiveness of a community, helping to attract or retain more residents in the area. In turn, those residents would attract other retail businesses into the community and economic activity would increase in all sectors.
2. **New Investment:** Supermarket investment could increase economic activity in the community and surrounding region, increase the number and quality of jobs and generate additional tax revenues for state and local governments.
3. **Lower Prices:** Supermarkets could potentially improve access to higher-quality food products at lower costs to the consumer.

The two supermarkets examined in this study are located in Philadelphia and in a nearby suburb. The impacts were quantified in terms of increases in regional economic activity, employment and wages. Using models developed by Econsult, the fiscal impacts on local governments were also computed.

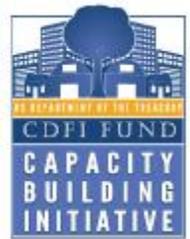
The analysis revealed that smaller food stores were more likely to dominate the market areas surrounding both supermarkets. As a result, consumers in these market areas were less likely to receive the benefits commonly associated with supermarkets, such as lower food prices and a better selection of fresh foods. Thus many consumers, especially in the urban store's market area, were also likely to travel outside their neighborhood in search of these benefits.

Analysis of the urban store's investment impact showed significant impacts on employment and earnings at the county level. Employment was estimated to increase by 660 jobs and county earnings by \$12,466,000.



The strongest impact of a supermarket development appeared to be on real estate prices. The study found that the introduction of a new supermarket gives an immediate boost to the value of nearby homes – worth approximately \$1,500 to the typical low-income Philadelphia homeowner living in a \$50,000-home within 0.25-0.5 miles of the new supermarket. In low-income communities, the opening of a supermarket also appears to largely mitigate any real downward trends in local property values.





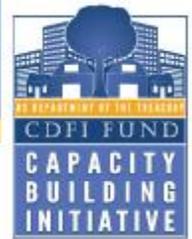
Case Studies:

Hill House Economic Development Corporation

Kennie's Market

Romano's





HILL HOUSE ECONOMIC DEVELOPMENT CORPORATION

By The Reinvestment Fund

HILL HOUSE ECONOMIC DEVELOPMENT CORPORATION – SHOP 'N SAVE
Pittsburgh, PA

SECTORS: Retail

GEOGRAPHY: Urban, Low- And Moderate-Income Census Tract

WEBSITE: <http://hillhouse.org/home/about.html>

OWNERSHIP TYPE: Non-Profit CDC Developer; Small Regional Independent Supermarket Operator

PROJECT DESCRIPTION: New Construction

YEAR STORE OPENS: Projected Opening Fall 2011

NUMBER OF STAFF: 100

SQUARE FOOTAGE: 32,000 sq. ft.

TOTAL REVENUES: Projected weekly sales of \$243,854 in Year 1 – (Annual Sales of \$12.7 million in Year 1)

SOURCES OF CAPITAL: \$6.8 million in grant funding from public and nonprofit sources, including \$1 million each from the Pennsylvania Fresh Food Financing Initiative, the Urban Redevelopment Authority and the Pittsburgh Penguins; \$750,000 from Allegheny County Economic Development; \$500,000 from the Commonwealth of Pennsylvania and the RK Mellon Foundation; additional grants from the McCune Foundation and Heinz Endowments. The project will also receive a \$1.5 million commitment for debt financing from Dollar Bank.

OTHER FINANCIAL SERVICES NEEDED: N/A

IMPACT/OUTCOMES: The Shop 'n Save will be Hill District's first grocery store in over 30 years and reflects the culmination of a community's long-drawn effort to bring a supermarket to their neighborhood. The 32,000 square-foot store will anchor a retail center to be called Heldman Plaza. In addition to improving access to healthy fresh food, the plaza will offer 6,900 square feet of commercial retail space. The Shop n' Save is expected to bring 100 jobs to the area. As a result of the development, Hill District will be the subject of a study by the Rand Corporation funded by the National Institutes of Health to track subsequent health outcomes.

Hill District is one of Pittsburgh's most distressed communities, home to just over 35,000 people. Once a thriving African-American community known for its arts, culture and jazz, the Hill District began



experiencing significant outward migration in the 1960s. In 1970, the Hill House Housing Development Corporation (now the Hill House Economic Development Corporation) became one of the first agencies to tackle housing redevelopment in the neighborhood. The growing housing stock and influx of new Hill residents seen today is testament to HHEDC's early vision.

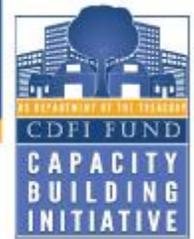
In 2005, HHEDC began to expand its focus on housing to include commercial development, and has since completed two successful development projects in the area. As Hill District continued to develop, community leaders and residents voiced concern that the neighborhood had been without a supermarket for over 30 years. Realizing Hill District's significant need for a fresh food retailer and the potential for such a store to attract customers from downtown Pittsburgh, HHEDC took on the challenge of bringing a supermarket to the neighborhood.

HHEDC began working with The Reinvestment Fund (TRF) and with the Urban Redevelopment Authority of Pittsburgh to locate a supermarket in this underserved community. In 2008, HHEDC worked out an agreement between the URA and Kuhn's Market to build a grocery store, but Kuhn's pulled out of the deal in November 2009. Discount grocers Aldi and Save-A-Lot then expressed interest in the site, but ultimately withdrew under community pressure for a full-service grocery store. HHEDC finally secured a commitment from an independent grocer, Jeff Ross, who will operate a full-service supermarket under the Pittsburgh-based Shop 'n Save banner. Highlights of the new urban grocery store include fresh produce, a deli and bakery, frozen and prepared foods, and health, beauty and wellness products.

The 32,000-square-foot Shop 'n Save will anchor a retail center to be called Centre Heldman Plaza. The grocery store is expected to open in fall 2011 and bring 100 jobs to the neighborhood. In addition to the grocery store, the plaza will have 6,900 square feet of commercial retail space. HHEDC, which will own the property and lease the space to the supermarket operator, is working to secure tenants for the additional commercial space available at the retail plaza.

The project is estimated to cost over \$6.8 million but will be subsidized with grant funds from public and nonprofit sources. Funding includes \$1 million contributions from both the Pittsburgh Urban Redevelopment Authority and the Pittsburgh Penguins, part of a 2008 Community Benefits Agreement linked to building the championship hockey team's new arena in Hill District. Allegheny County Economic Development is contributing \$750,000; the Commonwealth of Pennsylvania and the RK Mellon Foundation are providing \$500,000 each. The project is also receiving additional grants from the McCune Foundation and Heinz Endowments and expects to receive a \$1.5 million commitment for debt financing from Dollar Bank. In addition to the sources indicated below, the supermarket operator is also expected to invest over \$1 million of his own equity into the store in the form of equipment, inventory and training.

Sources of Funds:	
Fresh Food Initiative Grant	\$ 1,000,000
Penguins/CBA Grant	\$ 1,000,000
URA Grant	\$ 1,000,000
Allegheny County/CDBG	\$



	750,000
URA Land Financing (Deferred Payments)	\$ 275,800
PA Redevelopment Assistance Capital Program (RACP) Grant	\$ 500,000
RK Mellon Foundation Grant	\$ 500,000
McCune Foundation Grant	\$ 250,000
Heinz Endowments (HZ352)	\$ 56,040
PPND LEED Grant	\$ 36,000
Dollar Bank Construction/Permanent Loan	\$ 1,497,313
Total	\$ 6,865,153

The increased level of subsidy necessary for this project is reflective of the challenges in attracting an experienced supermarket operator to an underserved, urban location. Part of the challenge lies with the structure of the supermarket industry within the Pittsburgh metro. Pittsburgh is considered an oligopoly where a relatively small number of entities own a significant percentage of the total market share. TRF’s experience with Pittsburgh metro area supermarkets receiving funding through the Pennsylvania FFFI suggests that a tight oligopoly (higher concentration ratios), makes market penetration difficult for operators that do not already own a significant market share. The largest operator in the Pittsburgh metro area is Giant Eagle. Unfortunately the HHEDC’s supermarket site was not large enough to attract a typical Giant Eagle store. Given these limitations, HHEDC required subsidy to attract a suitable independent operator willing to operate in an underserved, urban environment. The subsidy was also critical in enabling HHEDC to lower the supermarket space rent, key to attracting the right operator.

TRF is providing \$1 million under the auspices of the Pennsylvania Fresh Food Financing Initiative (FFFI) for the project’s predevelopment costs, including a market study as well as engineering, architecture and legal fees. The FFFI grant also supports the cost of hiring an owner’s representative to manage the development process. The FFFI grant was critical to securing additional grant and debt financing for construction and equipment costs associated with the project.

HHEDC’s strong executive board led the efforts to raise capital for the project. Former CEO Evan Frazier’s initiation of a capital campaign to support the CDC’s efforts resulted in many of HHEDC’s capital commitments. Current CEO Victor Roque, the retired President of Duquesne Light Company and a well-respected community leader, was deeply involved with Mr. Frazier’s efforts and has assumed management of HHEDC’s ongoing work.

Despite a strong board and significant community support, a project of this scale was still a daunting task for HHEDC as a small CDC. In addition to securing an appropriate supermarket operator and adequate financing, HHEDC was also responsible for managing the development process. In addition to FFFI grant



funding, TRF worked with HHEDC to provide critical technical assistance, select a competent development team and set key milestones for the development project plan. TRF structured its FFI grant financing to coincide with the development milestones as a way of keeping the project moving forward on track.

In addition to receiving its first supermarket in over 30 years, Hill District will also be the subject of a Rand Corporation study funded by the National Institutes of Health. “The study will serve as a national model for understanding the health benefits of urban communities having access to a full-service grocer,” said HHEDC CEO Roque. The study will begin tracking food consumption patterns in anticipation of the Shop 'n Save’s opening, attempting to understand if people who live near groceries with healthy food offerings have better health outcomes.



KENNIE'S MARKET

By The Reinvestment Fund

KENNIE'S MARKET
Gettysburg, PA

SECTORS: Retail

GEOGRAPHY: Small Town, Low- And Moderate-Income Census Tract

WEBSITE: <http://kenniesmarket.com/>

OWNERSHIP TYPE: For-Profit Business; Small, Regional Independent Grocer

PROJECT DESCRIPTION: Demolished Smaller Obsolete Store & Constructed Larger Store On Same Site.

YEAR STORE OPENED: 2007

SQUARE FOOTAGE: 32, 000 sq. ft.

NUMBER OF STAFF: 50

TOTAL REVENUES: Currently sales are increasing at 6% each year. Revenues for 2010 were \$6.5 million.

SOURCES OF CAPITAL: Total project budget of \$6.25 million included \$250,000 Pennsylvania Fresh Food Financing Initiative predevelopment grant; \$6 million in loans from Adams County National Bank and the Commonwealth of Pennsylvania's Department of Community and Economic Development.

OTHER FINANCIAL SERVICES NEEDED: N/A

IMPACT/OUTCOMES: Kennie's Market serves a community of less than 7,500 with a poverty rate of 13.2%. Through FFFI, TRF assisted Kennie's increase capacity when it became the only grocery store in town. With the grant, Kennie's opened a 32,000-square-foot facility and parking garage. Employment doubled to 50 jobs for local residents. Produce selection in the store also doubled, and produce sales have risen to 10% of total sale.

A full-service supermarket, Kennie's Market began serving the Gettysburg, Pennsylvania community in 1948. Since 1998, it has been the only supermarket in the area. Kennie's Market is part of a family- and employee-owned supermarket chain operating in south central Pennsylvania and northern Maryland.

Kennie's Market is located within walking distance from the historic Lincoln Square in downtown Gettysburg, one of the most important American Civil War battlefields. Each year, the community draws



in large numbers of tourists. For visitors and residents alike, Kennie's has always been a reliable source of fresh food in this small town.

In 1998, a large chain left Gettysburg, leaving Kennie's Market as the only grocery store in town. Though determined to serve the growing needs of the community, Kennie's lacked the capacity – the store featured 8,000 sq. ft of selling space. The facility had been built in 1948 and expanded seven different times. It needed to be replaced. But to build a new store large enough to serve as the town's sole grocer, Kennie's operator, P.K. Hoover, realized he would need to purchase several adjacent properties. Being located in the heart of Gettysburg, though, Kennie's was landlocked by residential housing. The cost of construction would have been prohibitive.

Hoover says he could have gone the way of larger supermarkets and moved outside the city, "where sites are far less challenging and difficult to build." But he did not want to leave the Gettysburg community without access to fresh food. So Kennie's turned to the Pennsylvania Fresh Food Financing Initiative. An FFFI grant lowered costs associated with the construction of a new facility and helped attract an additional \$6 million in private capital for the project. "FFFI provided the opportunity to make our project a reality," Hoover says. "The grant significantly offset the higher construction and development costs associated with downtown construction. With downtown development, you're talking about tearing down existing structures, which is immensely more difficult." Had Kennie's opted to move out of the city to a suburban location and developed on a vacant site, the projects costs would have been lower.

In 2007, Kennie's opened a new 32,000-square-foot facility and parking garage, doubling both the number of employees and its selection of produce. According to Hoover, Kennie's new perishable presence is "incomparable" to what it was before. He notes that produce sales have gone from 8% to 10% in the new store – not insignificant, given that overall sales have also doubled. In addition, the store features a deli and a fresh seafood counter, which accounts for 2% of sales.

Gettysburg is a community of 7,490 people. The area's median household income is \$29,840 and about 13.2% of its families live below the poverty line. If Kennie's Market had taken the more attractive alternative of relocating outside the town, residents – particularly those without means of transportation – would have very reduced access to fresh food. The 50 jobs Kennie's Market provided to local residents would have been gone as well.

Hoover emphasizes that FFFI made the decision to remain in Gettysburg much simpler. "The application process was easy, which is very important when dealing with smaller retailers who do not have extensive back office support staff. The staff at FFFI was helpful and very cooperative in assisting us along the way," he says.

With the opening of the new stores, Kennie's Market has seen total sales double, with produce sales growing three-fold. The store has also doubled the number of jobs it offers from 50 to 100. Above all, the Gettysburg community is not losing a local institution. "Being a family-operated company, we are proud of our operation and want to be proud of each of our facilities," Hoover notes. "Our greatest strength is the relationship we build with customers and community and so we wanted to build a store our community would be proud to shop. I am confident we did that."



ROMANO'S

By The Reinvestment Fund

ROMANO'S
Philadelphia, PA

SECTORS: Retail

GEOGRAPHY: Urban, Low- And Moderate-Income Census Tract

WEBSITE: N/A

OWNERSHIP TYPE: For-Profit Business, Sole Proprietor

PROJECT DESCRIPTION: Renovation of Neighborhood Corner Store

YEAR STORE OPENED: 2007

SQUARE FOOTAGE: 1200 sq. ft.

NUMBER OF STAFF: 14

TOTAL REVENUES: \$1.6 million annually

TOTAL SOURCES OF CAPITAL: \$10,000 in working capital from The Merchant's Fund; \$25,000 Philadelphia Development Partnership loan; \$60,000 Fresh Food Financing Initiative predevelopment grant; \$90,000 DCED Minority Retailer grant; owners' equity

OTHER FINANCIAL SERVICES NEEDED: \$40,000 in technical assistance from Bank of American Foundation (Healthy Corner Store Initiative); \$82,500 from William Penn Foundation (Green Supermarkets Initiative).

IMPACT/OUTCOMES: FFFI's incorporation of Romano's into a pilot green stores program encouraged the work of The Food Trust's Healthy Corner Store Initiative, resulting in a network of stores across Philadelphia providing greater fresh food access for underserved neighborhoods. In addition, the store has become a model of energy-efficient, eco-friendly building. The store serves an area with an above-average obesity rate and median incomes of \$36,337. Romano's carries 13 varieties of fresh produce and has added to its inventory frozen fruits and vegetables, 100% juices, low-fat dairy options, whole grain products and eggs – significant to a neighborhood previously lacking any such options. In addition to financing through FFFI, Romano's received funding from the Minority Retailers Program.



Romano's Grocery in Juniata Park, Philadelphia, used to be a typical corner store selling dry goods, candy and sundries with a limited selection of fresh foods. Using funding from the Pennsylvania Fresh Food Financing Initiative and the Department of Community and Economic Development's Minority Food Retailer Program, along with support from the William Penn Foundation and TRF's Sustainable Development Fund, owner Juan Romano renovated the store to incorporate green building practices and fresh food.

Felcito Romano was a corner store operator in Washington Heights in New York City. Romano moved to Philadelphia in 2002, hoping to find an area with similar demographics but lower rents and better business opportunities. He and his family soon bought Art's, a corner store in North Philadelphia's Juniata Park neighborhood.

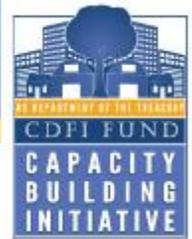
Romano's Grocery is located in a low- to moderate-income Philadelphia neighborhood. Median household income in 2000 was \$36,337. Though there were a number of convenience stores in the neighborhood, before Romano's renovation none offered a decent selection of fresh produce. This lack of food access was particularly concerning, given that the area's obesity rate was markedly higher than Philadelphia's as a whole (35 percent, compared with 28 percent) in 2000. Residents suffered from diabetes, high blood pressure and high cholesterol. Prior to Romano's development, community members cited the cost of transportation as a barrier to obtaining fresh food.

Romano's Grocery was the closest supermarket the community had within a mile. The store met residents' immediate needs but did not include a large inventory of fresh fruits and vegetables. In 2005, Romano's was recruited by The Food Trust to participate in two separate campaigns. The first was The Food Trust's Corner Store Campaign, which helps keep small groceries stocked with healthy snacks and educates children about making smart eating choices. Through participation in this campaign, Romano's was encouraged to take part in The Food Trust's Health Corner Store Initiative. HCSI aims to assist corner store operators in applying for store financing, switching to energy-efficient equipment and sourcing fresh food for consumer purchase.

Working with The Food Trust (TFT), Romano's applied for funding from the PA FFFI and was selected as a demonstration project for FFFI's Green Supermarkets Initiative. GSI integrates supermarket renovation with enhanced fresh food offerings. In fall 2007, Romano's renovated extensively as part of this initiative. TRF provided a \$60,000 grant to cover the demolition, predevelopment and operating expenses of implementing energy-efficient measures. Romano's Grocery also received considerable support from the DCED Minority Retailer Program and working capital from The Merchant's Fund, giving the store cash on hand for operations. The William Penn Foundation and Bank of America provided \$82,500 and \$40,000, respectively, for technical assistance.

The Romano family emerged as a strong community partner to implement and pilot the Green Store Initiative. Felcito's son, Juan Carlos, had facilitated a positive relationship with TFT through their corner store initiatives. Now in charge of operations, Juan Romano proved to have the willingness and drive to renovate his store.

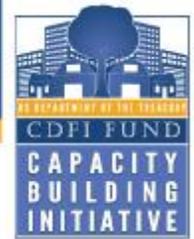
Once completed, the store was able to offer a mix of fresh, high-quality produce for the first time. At present, Romano's is carrying 13 varieties of fresh produce. The store has also added frozen fruits and vegetables, 100% juices, low-fat dairy options, whole grain products, and eggs to its inventory.



Energy-efficient lighting, refrigerators 25% to 35% more efficient than standard and a ductless HVAC system minimize the additional energy costs associated with refrigerating a stock of fruits and vegetables. After closing for renovation for three months, the converted store re-opened in November 2007 to great excitement from the community, which gained affordable healthy food options as well as a significant community asset.

The conversion of Romano's Grocery demonstrates how high-performing, sustainable products, equipment and materials can lower energy costs while providing an attractive, eco-friendly building solution for owners and underserved communities. As part of TFT's Healthy Corner Store work, some staff visited with Romano's at the end of March, 2011 and at that time, Romano's offered 13 varieties of fresh produce. This is a snapshot of what Romano's had at the time, and the store's inventory is likely to change depending on seasonality and procurement.



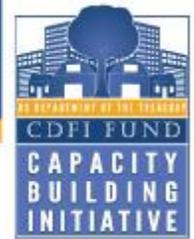


Appendix I

State Programs	Summary of State and Local Food Access Strategies
California	<p><i>California Fresh Works Fund</i></p> <p>The California Endowment, NCB Capital Impact, and other community, supermarket industry, and government partners have been working to create a supermarket financing program in California that is expected to be launched in the first half of 2011. To date, the program totals \$90 million (\$87 in loan funding, \$3 million in grant funding). The California Endowment has dedicated \$30 million to the fund, and this has been matched 2:1 by NCB Capital Impact, a community development financial institution that has been selected to oversee the loan and grant fund. The California Endowment is continuing outreach to additional potential investors to increase the size of the fund. A food access organization, still to be determined, will assist in marketing the program and providing initial eligibility screening.</p>
Illinois	<p><i>Illinois Fresh Food Fund</i></p> <p>Governor Quinn has responded to the work of the Illinois Food Marketing Task Force by creating the Illinois Fresh Food Fund, with a dedication of \$10 million from the Governor's capital budget. The Illinois Fresh Food Fund will provide grants and loans for grocery store development in underserved communities statewide. It is intended that the \$10 million in state funding will be leveraged with additional private and other sources. The launch of the Illinois Fresh Food Fund is pending the release of these funds. Key local leaders, including Voices for Illinois Children and the Illinois Retail Merchants Association, are actively advocating for the release of these funds.</p>
Louisiana	<p><i>Louisiana Healthy Food Retail Financing Program</i></p> <p>Based on the work of the Food Policy Advisory Committee, the Louisiana State Senate passed a resolution (Senate Resolution 112) to create the Healthy Food Retail Study Group. Comprised of state senators, agency representatives, and nongovernmental stakeholders, this study group outlined recommendations and released a report to the Louisiana Legislature for the creation of a Healthy Food Retail Financing Program to bring fresh food retailers into underserved areas across Louisiana. As a result, Senators Ann Duplessis and Michael Michot and Representative Rosalind Jones introduced legislation (SB 299) to create the Healthy Food Retail Act. This was signed into law by Governor Jindal in July 2009. While no funding has been allocated to this program as of yet, this legislation creates a vehicle for future funding to the program.</p>
New Jersey	<p><i>New Jersey Food Access Initiative</i></p> <p>The New Jersey Food Access Initiative has been created through a partnership of the New Jersey Economic Development Authority (NJEDA) and The Reinvestment Fund. NJEDA allocated \$4 million to create the Initiative, and The Reinvestment Fund has leveraged this to date with an additional \$2 million through private sources. The program has launched and will make loan funding available to assist supermarket operators locating in underserved areas in nine priority cities, including Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, and Trenton. The Food Trust is also working in partnership with the New Jersey Food Council and the New Jersey Economic Development Agency to convene a New Jersey Food Marketing Task Force that will develop policy recommendations to build on the existing program. More information on the program is available at:</p>



	http://www.trfund.com/financing/realestate/NJ_FoodAccessInitiative_HandoutwApp.pdf
New York	<p><i>New York Healthy Food, Healthy Communities Fund</i></p> <p>In response to the recommendations of the New York Supermarket Commission, Governor Paterson created the New York Healthy Food, Healthy Communities Initiative, a \$30 million business financing program to encourage supermarket and other fresh food retail investment in underserved areas throughout the state. The program, launched in Fall 2010, provides grants and loans made available through a revolving loan fund, to eligible projects. The Initiative includes a \$10 million commitment from the State's Empire State Development Corporation and a \$20 million leveraged commitment from the Goldman Sachs Group, Inc. The Low Income Investment Fund (LIIF) is the lead administrator for the fund and is partnering with The Reinvestment Fund and The Food Trust to implement the program. More information on the program is available at: http://www.liifund.org/healthyfood.htm</p>
Pennsylvania	Fresh Food Financing Program – See Section I of this memo
Local Government Programs	
Detroit	<p><i>Detroit Fresh Food Access Initiative/Green Grocer Project</i></p> <p>The Detroit Fresh Food Access Initiative was formed in October 2007 in response to the City's unmet grocery sector demand. Headed by the Detroit Economic Growth Corporation (DEGC) with support from the Kresge Foundation, the Initiative created a multi-sector taskforce which released a report in August 2008 recommending ways to strengthen the overall grocery industry as a delivery mechanism for fresh and healthy foods. In May 2010, DEGC launched the Green Grocer Project (formerly Fresh Food Access Initiative) to provide Detroit's grocers with the technical assistance and funding needed to become successful, sustainable and competitive in the metro area grocery market. The Green Grocer Project will also act as a clearinghouse for grocers to help navigate city bureaucracy and issues such as permitting, zoning, and site selection. As of November 2010, the program has assisted three stores with technical assistance grants. Over three years, DEGC hopes to help 20 to 25 stores and bring one to three new stores into underserved areas. The Green Grocer Project has received funding from the Kresge Foundation, Lasalle Bank (now Bank of America), Detroit Investment Fund and the City of Detroit. DEGC expects to receive a \$500,000 community development block grant allocation from the City of Detroit in summer 2010. The block grant will be used as seed money for the project's loan fund. More information on the program is available at: http://www.degc.org/business-services.aspx/green-grocer-project.</p>
District of Columbia	<p><i>D.C. Healthy Food Retail Program</i></p> <p>The District of Columbia passed the FEED DC Act in December 2010 to incentivize grocery store development in the District. The Act builds on the District's existing Supermarket Tax Exemption to create a package of incentives and assistance for new grocery store developments and for grocery store renovations in lower-income parts of the city. Specifically, the Act: 1) Sets up a structure for grants and loans to eligible grocery store projects (both new developments and renovations to existing stores), awarded on a competitive basis; 2) Designates a "grocery ambassador" in the Office of the Deputy Mayor for Planning and Economic Development office to help grocers navigate through the bureaucratic hurdles of opening new stores; 3) Allows for density</p>

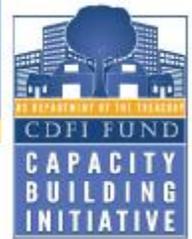


	<p>bonuses and other zoning flexibility for eligible grocery store developments; 4) Creates a fast-track permitting and review process for eligible grocery store developments; and 5) Directs the D.C. Department of the Environment to develop and promote energy efficiency resources to help grocers lower their operating costs.</p> <p>Additionally, the FEED DC Act creates in the D.C. Department of Small and Local Business Development (DSLBD) a Healthy Food Retail Program, which will provide assistance for smaller retailers seeking to sell healthy foods in food desert areas. Small retailers can include: existing corner stores seeking to sell fresh produce and healthy foods; farmers' markets; and other small retailers such as fruit and vegetable vendors. The program is funded at \$300,000 for fiscal year 2011. These funds will be used to help corner stores, farmers' markets, and other small food retailers sell healthy foods in underserved, low-income areas, as directed by the FEED DC Act. DSLBD also will work with a variety of local stakeholders to create a plan for a commercial fruit and vegetable distribution system for corner stores and other small retailers. More information on the FEED DC Act is available at: www.dchung.org</p>
<p>New Orleans</p>	<p><i>New Orleans Fresh Food Retailer Initiative Program</i> In response to the recommendations set forth by the Food Policy Advisory Committee, the City of New Orleans prioritized healthy food retailing in the strategic rebuilding of the city by creating the Fresh Food Retailer Initiative Program (FFRI). The program will provide direct financial assistance to retail businesses by awarding forgivable and/or low-interest loans to supermarkets, grocery stores, and other fresh food retailers. The program is seeded with \$7 million of federal Disaster Community Development Block Grant funds. The FFRI Program will be structured as a public-private partnership and the City has partnered with HOPE Enterprise Corporation (HOPE), a community development financial institution, and The Food Trust, a food access organization, to implement the program. HOPE will be matching the City's funds 1:1. The FFRI Program is expected to be launched in spring 2011. More information on the program is available at: http://www.nola.gov/HOME/FreshFoodRetailersInitiative/</p>
<p>New York City</p>	<p><i>New York City FRESH Program</i> Additionally, in New York City, the Bloomberg Administration acted on the New York Supermarket Commission's recommendations by creating the FRESH Program (Food Retail Expansion to Support Health) to encourage supermarket development in underserved areas throughout the city. Launched in summer 2010, the FRESH Program 1) provides tax incentives to healthy food retailers, 2) creates incentives in the zoning code for real estate developments that incorporate healthy food, and 3) creates a single point of access for supermarket operators to interface with city government. More information on the program is available at: www.nyc.gov/fresh</p>
<p>Philadelphia</p>	<p><i>Philadelphia Healthy Corner Store Initiative</i> As part of Get Healthy Philly, the Philadelphia Department of Public Health's two-year, citywide obesity prevention initiative funded through the CDC's Communities Putting Prevention to Work initiative, The Food Trust has expanded its Healthy Corner Store Initiative to more than 500 corner stores throughout the city of Philadelphia. The Food Trust is working with corner store owners to expand their inventory of healthy foods</p>



	and beverages and to support stores' efforts with a citywide marketing campaign that promotes healthy corner stores and helps customers make healthy decisions at the point of purchase. Stores participating in the Healthy Corner Store Initiative may additionally receive technical assistance training through workshops and mini-grants for conversions or renovations to their stores.
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All information in this appendix came from a memo created in on March 4, 2011, by TRF and its partners, The Food Trust and Policylink for various parties in the federal government⁴.



Sources

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