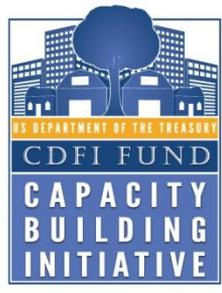


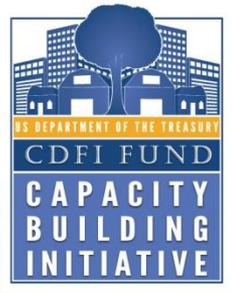


Foundations & Healthy Food Finance: Investing in CDFIs to Improve Access to Healthy Foods in Low-Income Communities



Introduction

- Framing the Challenge
- CDFIs and Healthy Food Access
- CDFIs and Foundations: Powerful Partnerships
 - St. Luke's Health Initiatives
 - The California Endowment
 - The Colorado Health Foundation
- Finding a CDFI Near You



Today's Presenters



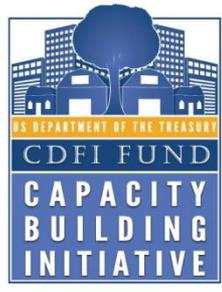
Pam Porter, OFN



Christy Bare, OFN



Mark Kudlowitz,
CDFI Fund



Today's Presenters



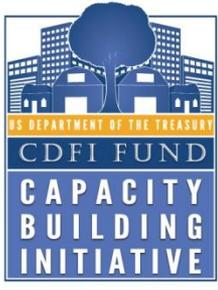
Jane Pearson,
St. Luke's Health Initiatives



Khanh Nguyen,
The Colorado Health
Foundation

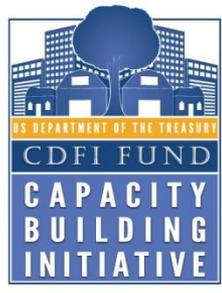


Tina Castro,
The California Endowment

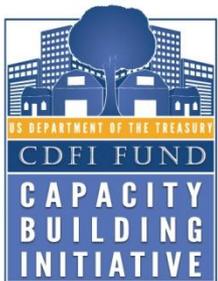




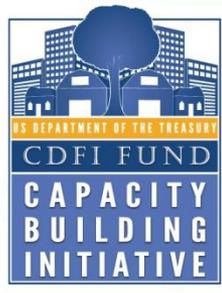
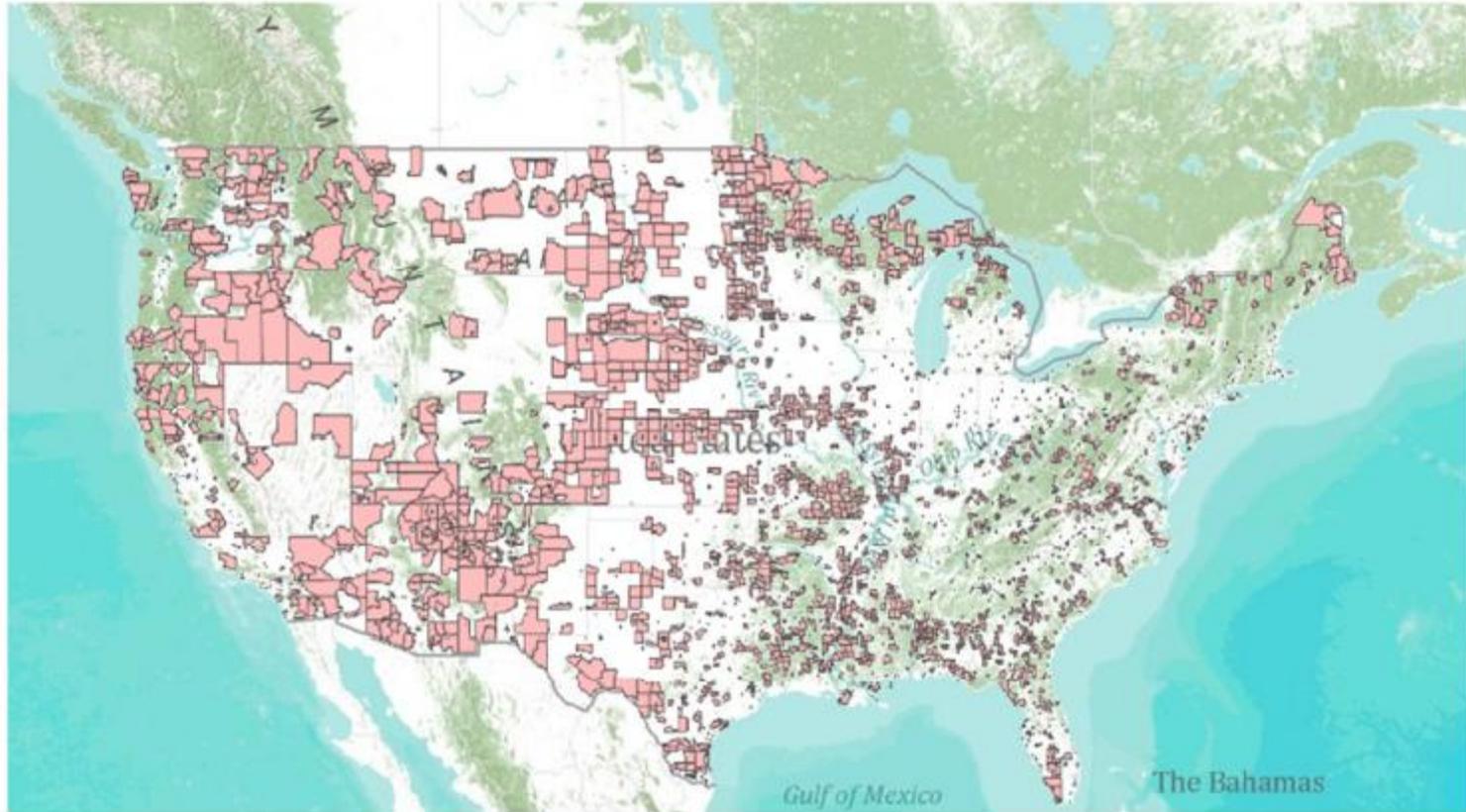
Framing the Challenge



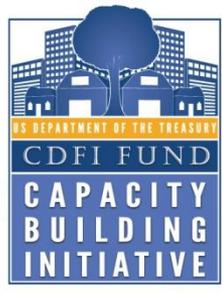
In hundreds of neighborhoods across the country, nutritious, affordable, and high quality food is out of reach — particularly low-income neighborhoods, communities of color, and rural areas.



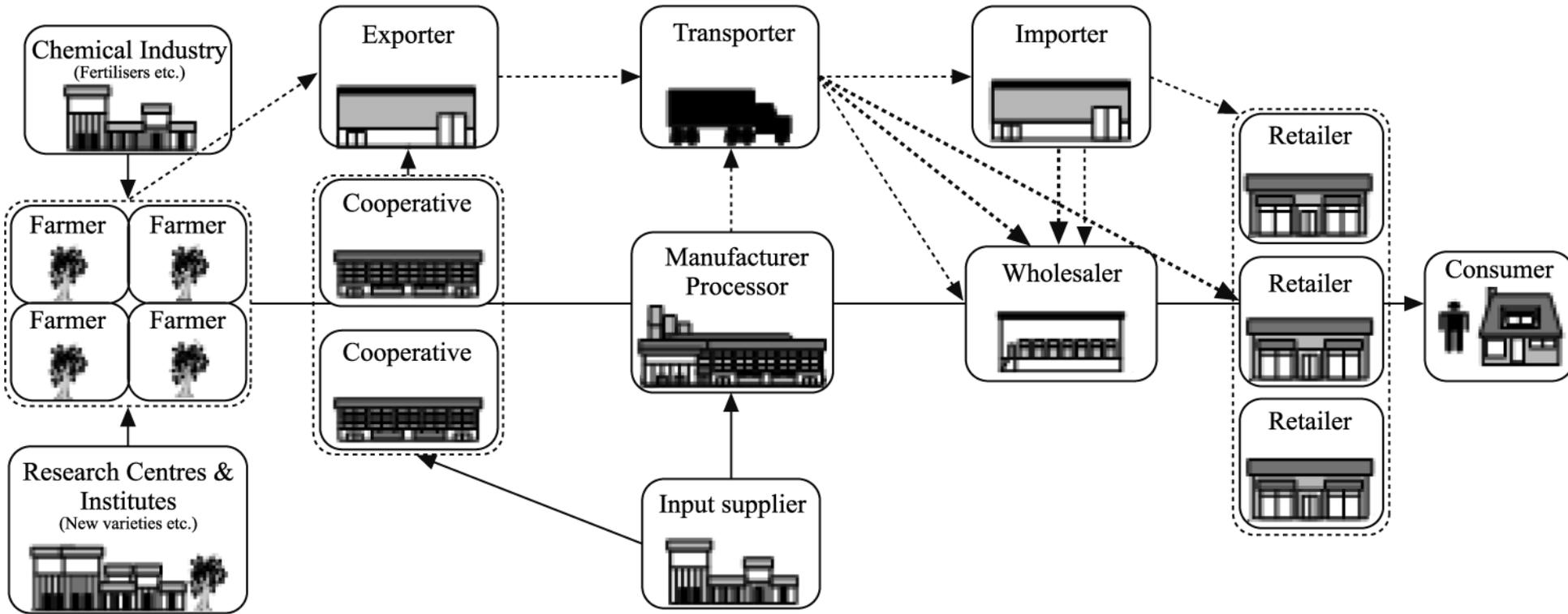
USDA Map of Food Desert Locations



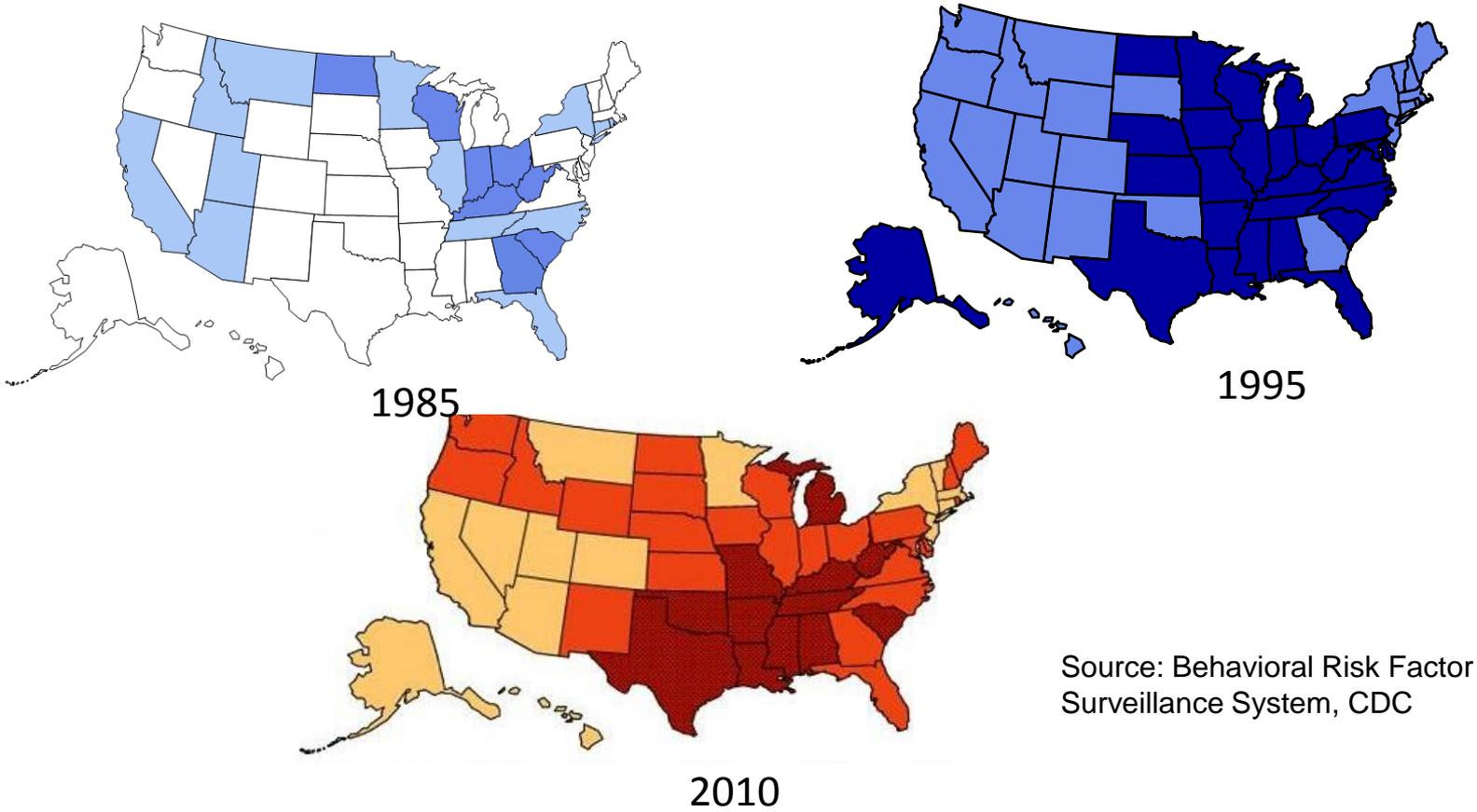
Traditional Grocers have Fled Communities



Distances from Farm to Plate have Increased



Obesity Trends in the US



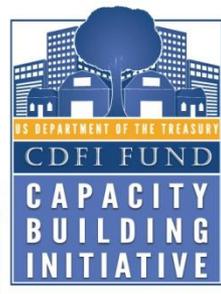
Source: Behavioral Risk Factor Surveillance System, CDC



Fresh Food Access: A Critical Public Health Issue

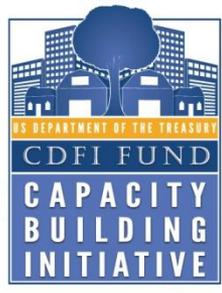
Public health experts – Increasing fresh food access necessary strategy to combat obesity

Growing evidence – Connection between increased access and better health outcomes



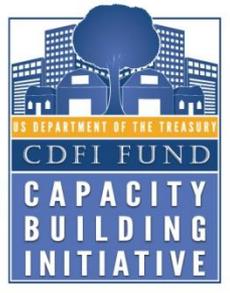


CDFIs: Increasing Access to Healthy Food



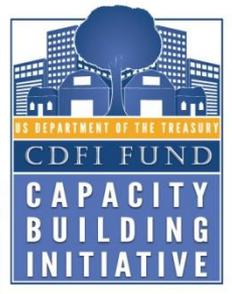
What is a CDFI?

- **CDFI:** Private financial institutions dedicated to delivering responsible, affordable lending to low-income communities
- **Types:** Banks, credit unions, loan funds, venture funds
- **Financing Sectors:** Small business, microenterprise, nonprofit organization, commercial real estate, and affordable housing



Scope of the CDFI Industry

- 35 year track record of lending and impact
- 1,000 CDFIs in the United States
- 2010 industry statistics:
 - \$6 Billion of New Lending -- \$30 Billion Outstanding
 - >35,000 Jobs
 - >60,000 Units of Affordable Housing
 - >16,000 Responsible Mortgages
 - Average Charge-Off Rate of 2.5%



History of CDFIs and Healthy Food Access

- **Pennsylvania Fresh Food Financing Initiative**
 - The Reinvestment Fund (CDFI)
 - The Food Trust (Food Access Organization)
 - State & City Governments
 - Private Funders – including Foundations

90 approved stores

\$190 million invested

Total Est. Project Costs for Approved Applicants

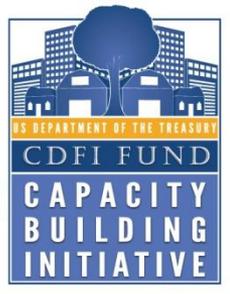
1.7 million sq. ft.

Developed/Refreshed

Total Est. Sq. Ft. Developed/Refreshed

5,000 jobs

Total Est. Jobs Created/Retained

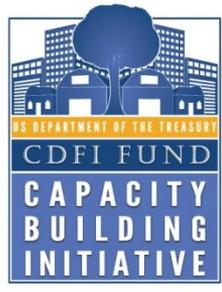


Healthy Food Finance: State & City Programs

- **Pennsylvania**
- **New York**
- **New Orleans**
- **California**
- **New Jersey**
- **Illinois**
- **Colorado/Denver**
- **Arizona**
- **Georgia**
- **South Carolina**
- **More**



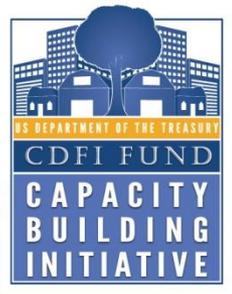
New Orleans Fresh Food
RETAILER INITIATIVE



The CDFI Fund

The CDFI Fund, within the U.S. Department of Treasury, promotes economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs)

- Financial Assistance Awards
- New Markets Tax Credit Allocations
- Bank Enterprise Awards
- Native Initiatives
- Capacity Building Initiatives



CDFI Fund's CBI for Financing Healthy Food Options

Food Production

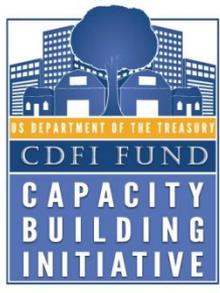
- Farms
- Ranches
- Fisheries
- New Kinds of Farms

Mid Food Chain Enterprises

- Value-Added Production
- Food Aggregation
- Food Distribution
- Waste Management

Food Retailers

- Grocery Stores
- Food Co-Operatives
- Public Markets
- Farmers' Markets
- Community Supported Agriculture
- Mobile Vendors

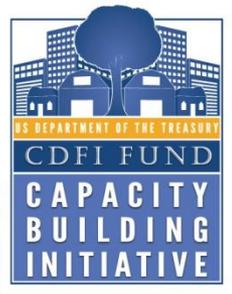


CDFI Fund's CBI for Financing Healthy Food Options

- **Trainings:** 8 trainings nationwide; 195 individuals trained
 - 4 workshops in food retail
 - 2 workshops in mid-tier
 - 2 workshops in food production
- **1-to-1 Technical Assistance:** 44 CDFIs are receiving one-on-one TA from a roster of experts; over 1,800 hours of TA committed
- **Technical Assistance Webinars:** 600+ people have attended 22 original webinars
- **HFFI Assistance Awards:** Over \$43 million since FY 2011

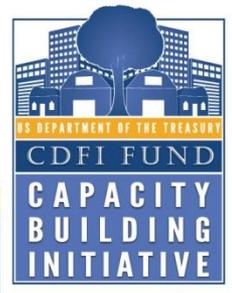
Working With Foundations

- Healthy Food Financing Initiative – Financial Assistance Program (CDFI Fund)
 - Requires a 1:1 non-federal match
 - CDFI Fund makes the award in the same form as the eligible matching funds
 - Applicants are only required to present 25 percent of their match at the time of application
 - Great way to instantly leverage foundation resources!





CDFIs and Foundations: Powerful Partnerships



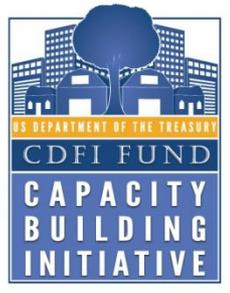
Arizona Activities



St. Luke's Health Initiatives

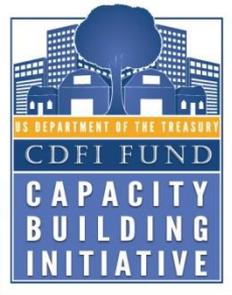
A Catalyst for Community Health

ARIZONA MULTIBANK
Community Development Corporation



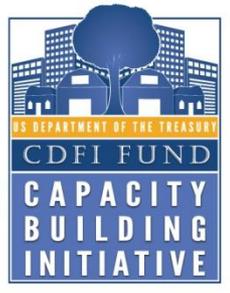
St. Luke's Health Initiatives

- History and Mission
 - Conversion foundation/public charity
 - ~ \$100,000 in assets
 - 17 years ago began as traditional funder
 - Health policy research, technical assistance and strength based community development
 - Value based health care (VBHC) and healthy eating active living (HEAL)



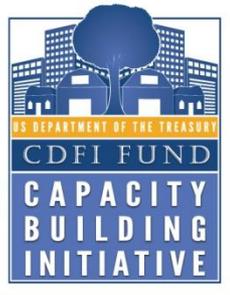
SLHI's Work to Improve Access to Health Foods

- Healthy Eating Active Living Initiative
 - Incorporating healthy community design in general plans and other municipal policies
 - Improving the built environment
 - Promoting access to healthy food
 - Urban agriculture policies
 - Reducing food deserts



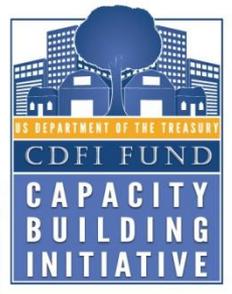
Learnings and Insights

- New Territory
 - New languages
 - New contacts and relationships
 - New work



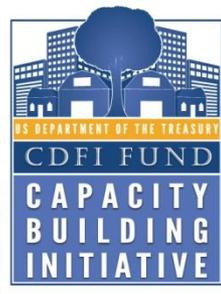
Working with CDFIs

- Making the Connection with CDFIs
 - Who are they? Or what are they?
 - It's all about relationships



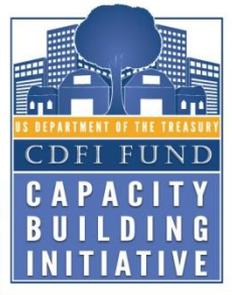
CDFI Partnership Benefits

- Opportunities/resources available
 - Technical assistance through Capacity Building Initiative (CDFI Fund & OFN)
 - Workshops
 - Webinars/online training materials
 - PolicyMap
 - Jeff Brown
 - Extensive network of contacts



Complementary Relationship

- Mutual benefit for CDFI and Foundation
 - CDFIs have the business and finance side
 - Foundations have the community connections
- Good partnership





The Colorado Health Foundation™

Together

Colorado's Fresh Food Financing Effort

September 27, 2012



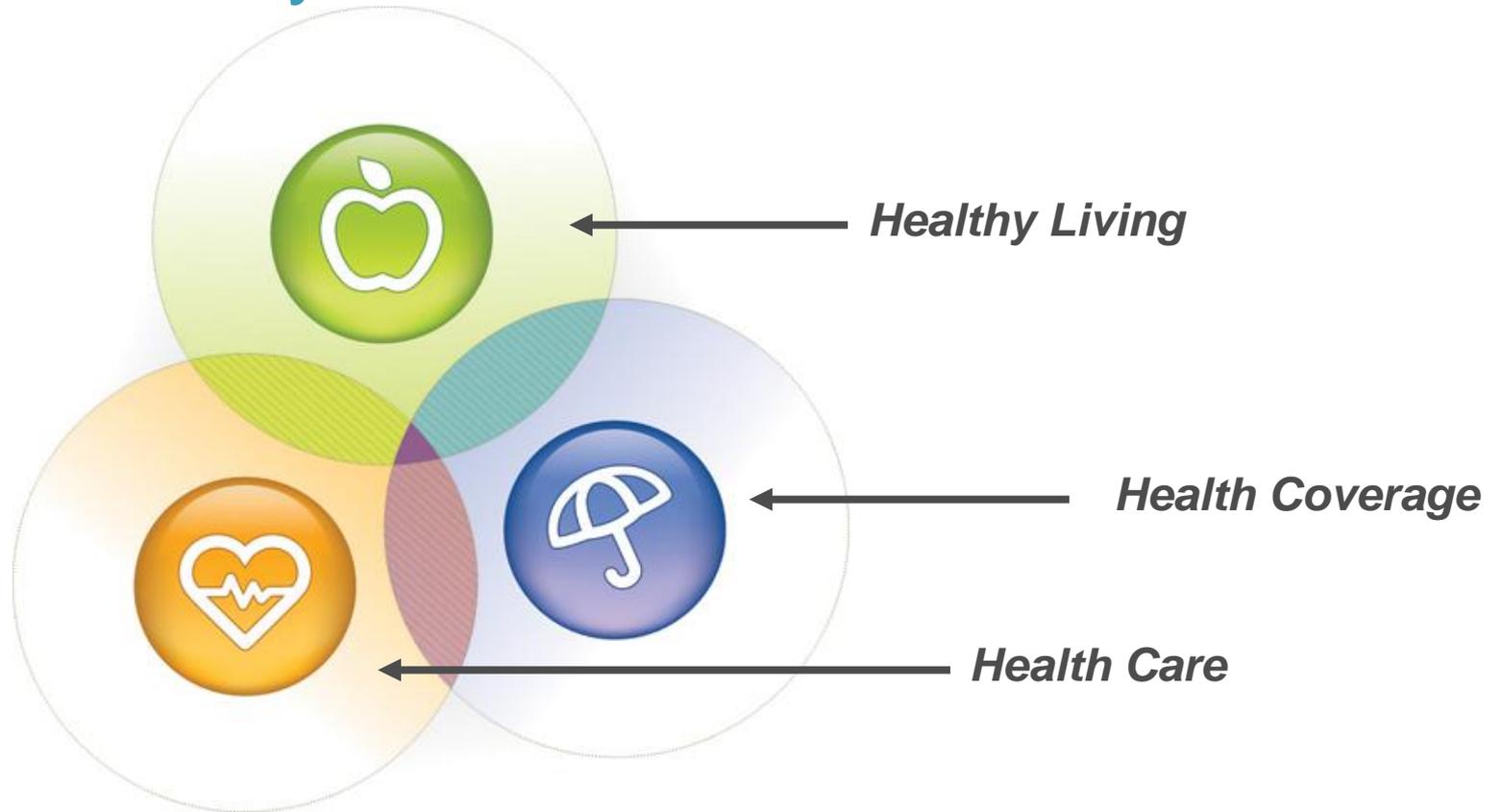
Our Vision

Together, we will make Colorado the healthiest state in the nation.





Community Outcomes





Colorado Fresh Food Financing: how did we get here?

- The Food Trust/Pennsylvania Fresh Food Financing Initiative
- Held a Supermarket Summit
- Commissioned Supermarket Report
- Grant to Denver Environmental Health
 - Denver Healthy Food Access Task Force Recommendations



Colorado Fresh Food Financing Fund

Working group on healthy food financing with representation from:

- Colorado Housing and Financing Authority
- **Mile High Community Loan Fund**
- **Colorado Enterprise Fund**
- City of Denver's Office of Economic Development
- Rocky Mountain Farmer's Union
- The Colorado Health Foundation



Colorado Fresh Food Financing Fund

Launch: early 2013

Purpose: to help remove financing obstacles from the construction, expansion and renovation of grocery stores and supermarkets in underserved areas

Partnerships: local CDFIs, foundations and lenders

Intended outcomes: improved health outcomes and community/economic development



Our partnership with CDFIs

- Fresh food financing will serve as test case
- Aligned goals and target population
- Reach the non-choir
- Additional benefits such as economic development



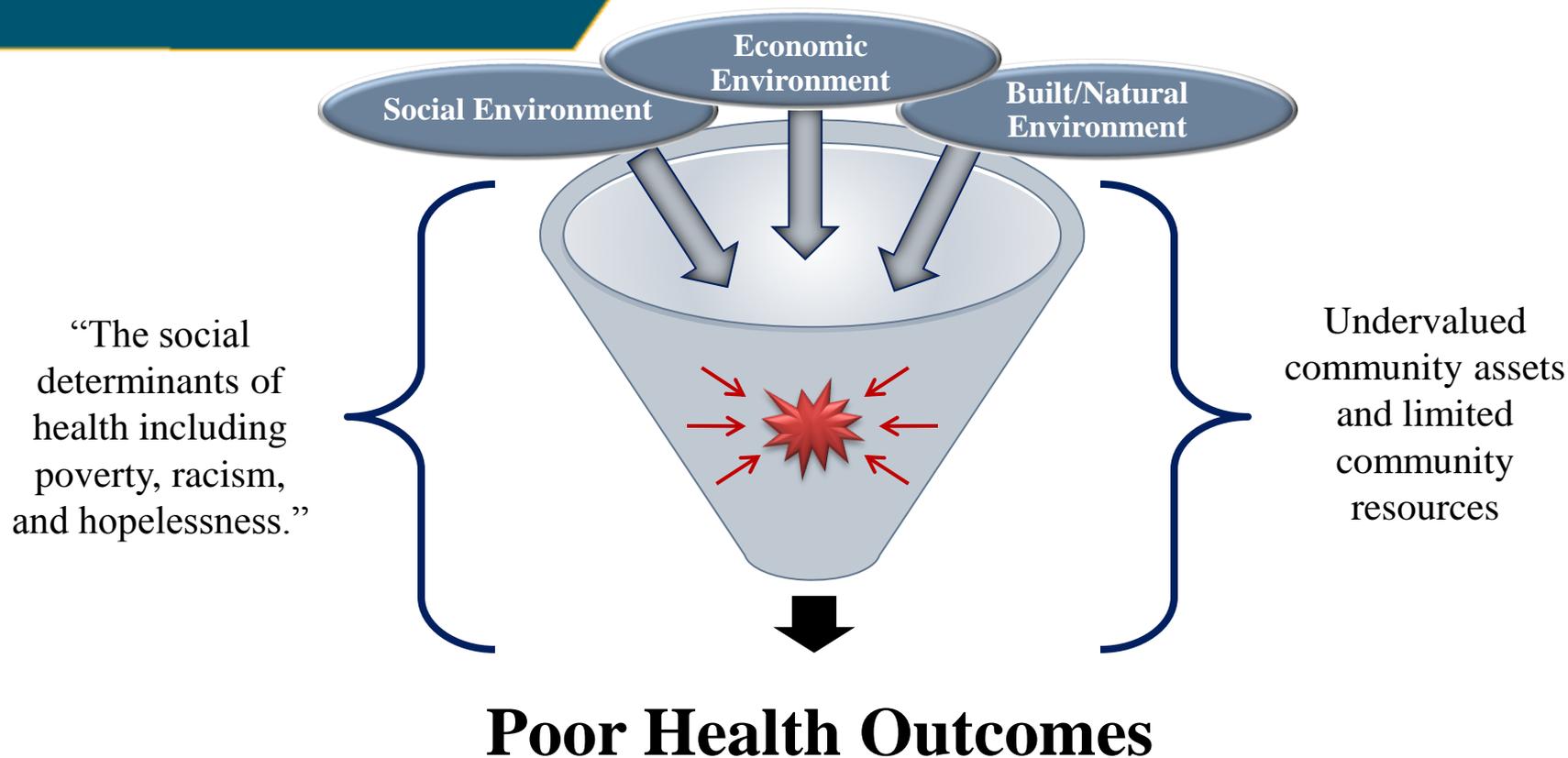
Foundations and Healthy Food Finance: *Investing in Community Development Financial Institutions to Improve Access to Healthy Foods in Low-Income Communities*

September 27, 2012



Healthy Food. Closer To Home.

Health Happens Here...



How do we make investments to create healthy social, economic, and built/natural environments?

Building Healthy Communities



Building Healthy Communities is a 10-year, \$1 billion program of The California Endowment. 14 communities across the state are taking action to make where they live healthier. They're doing this by improving employment opportunities, education, housing, neighborhood safety, unhealthy environmental conditions, access to healthy foods and more. The goal: to create places where children are healthy, safe and ready to learn. Ultimately, we're aiming at nothing less than a revolution in the way all of us think about and support health for all Californians.



The Communities

Boyle Heights

City Heights

East Oakland

Richmond

South Los Angeles

Central Santa Ana

Del Norte County and
Adjacent Tribal Lands

East Salinas (Alisal)

Sacramento

Southwest Merced/
East Merced County

Central/Southeast/
Southwest Fresno

Eastern Coachella Valley

Long Beach

South Kern

The California FreshWorks Fund

The California FreshWorks Fund is a public-private partnership loan and grant fund created to finance grocery stores and other forms of healthy food retail and distribution in underserved communities throughout California. It is modeled after the PA Fresh Food Financing Initiative and has been developed to align with the National Healthy Food Financing Initiative.



Healthy Food. Closer To Home.

Fund Size: \$272.8 million

Uses of Capital: Loans & Grants

Capitalization: Debt & Grants

Program Eligibility: CA Healthy Food Retailers & Distributors
Must serve low/moderate income
communities with low access to healthy food
retail

California FreshWorks Fund Goals

Access

Increase access to healthy food as a means to improve health outcomes.

Economic
Development

Spur economic development that supports healthy communities

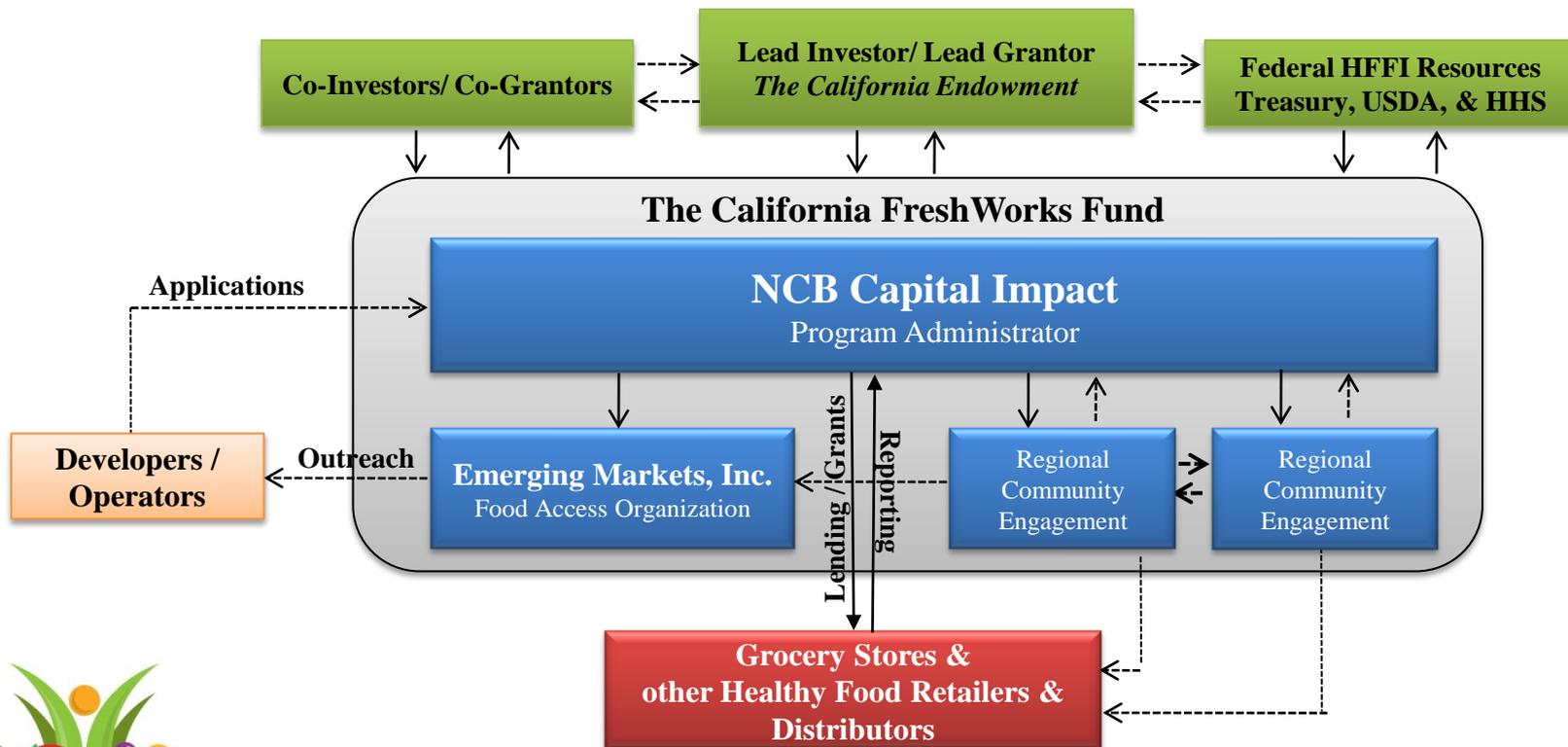
Innovation

Encourage innovation in healthy food retailing and distribution



Healthy Food. Closer To Home.

Initiative Structure



Healthy Food. Closer To Home.



Capital Structure

Term Debt \$125 Million

Senior Debt \$100 M (80%)

Banks & Insurance
Companies

Sub Debt \$25 M (20%)

The Endowment
NCB Capital Impact
& Other Social Investors

Grant (Credit Enhancement) \$7.5M

The Endowment, JPMorgan
Chase & HFFI

Loan Loan Loan

Individual Credit Enhancement
SBA 7a, USDA B&I, CalCap, Etc.

New Market Tax Credits \$126.5 Million

Leveraged Debt

NCB, FSB
The Endowment
NCB Capital Impact

Tax Credit Equity

JPMorgan Chase
US Bank

7 Year IO
Note

Debt
Service

Equity

Tax Credit

Investment Fund

QEI

NMTC

Community
Development
Entity

Tax Credit
Allocatee

Loan

Debt
Service

Project
QLICB

Note A
75%

Note B
25%

Other Lending \$12.7 Million

PRI \$4.5M

NCB Capital Impact &
Foundations

Grant \$8.2M

HFFI, The Endowment &
Other Foundations

Higher risk capital for innovative
projects and/or projects that have the
ability to repay but are not traditionally
underwritable.

Partners

Industry

Unified Grocers
CA Grocers Association
Emerging Markets, Inc.

Nonprofit

PolicyLink
Community Health Councils
Social Compact

Government

State of California
CRA of Los Angeles
USDA Rural Development
CDFI Fund

Investors

The California Endowment
NCB Capital Impact
JP Morgan Chase
Kaiser Permanente
Kellogg Foundation
National Healthy Food
Financing Initiative (HFFI)

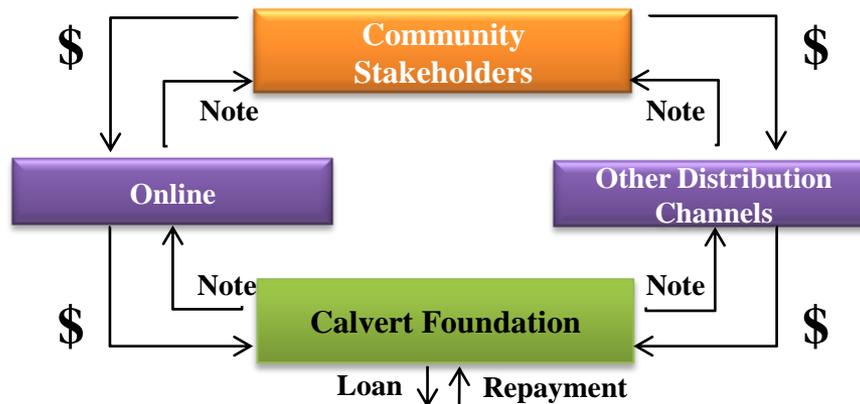
Bank of America
Bank of America Foundation
Calvert Foundation
Charles Schwab Bank
Citi
Dignity Health
First 5 LA

JPMorgan Chase Foundation
MetLife
Morgan Stanley
NCB, FSB
Opportunity Finance Network
US Bancorp CDC

CAFWF Initiative Community Investment Note

The California FreshWorks Fund Initiative provides investors with a way to support CAFWF through the purchase of Calvert Foundation's Community Investment Note.* This will allow stakeholders across California to support healthy food access and economic development in underserved communities. Notes are available online, in brokerage accounts, and with a check and application.

Min Investment: \$20
Rate & Terms: 0.5% for 1 yr
1.0% for 3 yrs



Min Investment: \$1000
Rate & Terms: 0.5% for 1 yr
1.0% for 3 yrs



Healthy Food. Closer To Home.

www.calvertfoundation.org/healthyfood

* Calvert Social Investment Foundation, a 501(c)(3) nonprofit, offers the Community Investment Note, which is subject to certain risks, is not a mutual fund, is not FDIC or SIPC insured, and should not be confused with any Calvert Group-sponsored investment product. This slide is neither an offer to sell nor a solicitation of an offer to buy these securities; the offering is made only by the prospectus, which should be read before investing.



Fresh Works Fund Lending Overview

Loans up to \$8 million to finance projects that create or expand healthy food retail in low access areas:

Capital Projects

- Building / land acquisition, to 90% LTV based on 1st DoT
- New Construction / Expansion, to 90% LTV based on 1st DoT
- Tenant Improvements, to 60% LTV, based on leasehold collateral value

Equipment

- New equipment, up to 100% of cost
- Used equipment, up to 60% of appraised value

Working Capital

- Inventory, up to 35% of gross value
- Other working capital, based on demonstrated need, ability to repay, and available collateral

Fresh Works Fund Grants Overview

Grants from \$25,000 - \$50,000 for projects with demonstrated need, to support priority areas:

Innovation

- Innovative projects with high potential to increase food access
- Innovations in product placement and merchandizing
- Write down costs for projects that are otherwise infeasible

Workforce Development and Local Hiring

- Outreach, recruitment and hiring activities for local hiring
- Employee training programs for local hiring

Predevelopment

- Early costs for capital projects, such as market studies, appraisals
- Predevelopment grants may be recoverable for projects that successfully obtain permanent financing

Contacts

Program Administrator:

NCB Capital Impact

1333 Broadway, Suite 602
Oakland, CA 94612

Contact: Scott Spote, Chief Lending Officer,
Community Investment Group
510-496-2233

SSpote@ncbcapitalimpact.org

Contact: Catherine Howard, Senior Program
Manager California FreshWorks Fund
510-496-2235

CHoward@ncbcapitalimpact.org

www.ncbcapitalimpact.org/healthyfoods

Food Access Organization:

Emerging Markets, Inc.

1024 North Orange Drive, Suite 120
Los Angeles, CA 90038

Contact: Daniel Tellalian, Director
323.465.0406

dtellalian@emergingmarkets.us

Contact: Veronica Saldaña, Business Development
Officer California FreshWorks Fund
323-465-0406

vsaldana@emergingmarkets.us

www.emergingmarkets.us





FRESH WORKS™

THE CALIFORNIA FRESHWORKS FUND

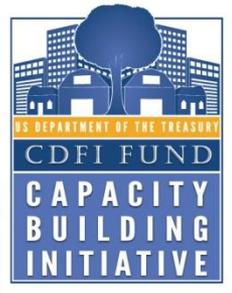
Healthy Food. Closer To Home.

www.CAFreshWorks.com

What Roles can CDFIs Play?

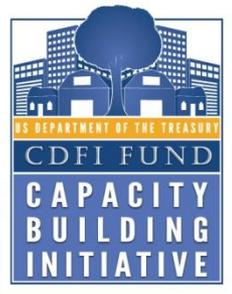
Innovative partner to solve problems in low-income communities

- Convener
- Catalyst
- Source of financing
- Risk capital
- Conduit to leverage public or private grant dollars
- Link between stakeholders



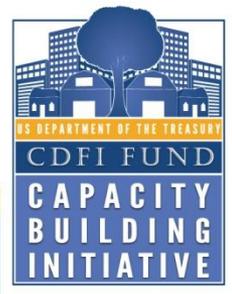
What Roles can Foundations Play?

- Convener & facilitator
- Grants (research, planning, evaluation, re-granting)
- Program Related Investments (PRIs)
- Mission Related Investments (MRIs)
- Matching Funds for Federal Finance Programs



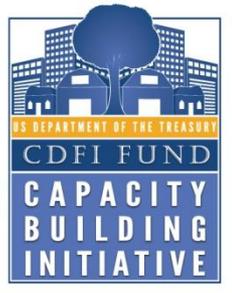


Additional Resources



Finding a CDFI Near You

- U.S. Treasury, CDFI Fund -
[http://www.cdfifund.gov/what we do/programs id.asp?programID=9](http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=9)
- Opportunity Finance Network -
http://www.opportunityfinance.net/industry/industry_locator.asp



Financing Healthy Food Options Resource Bank

http://www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp



The screenshot shows a web browser window with the URL www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp. The page features a navigation menu on the left with the following items:

- WHO WE ARE
- WHAT WE DO
- IMPACT WE MAKE
- NEWS & EVENTS
- HOW TO APPLY

The main content area is titled "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND" and "UNITED STATES DEPARTMENT OF THE TREASURY". Below this, the page is titled "Financing Healthy Food Options Resource Bank" and is organized into four sections:

I. Training Curriculum

- [Food Systems Overview](#)
- [Healthy Food Retail Financing](#)
- [Financial Services for Mid-Tier Food Chain Enterprises](#)
- [NMTCC & Urban Supermarkets](#)
- [Understanding the Grocery Industry](#)
- [Underwriting Supermarkets & Grocery Stores](#)
- [Mid-Tier Food Chain Enterprises Overview & Underwriting](#)
- [Capitalizing Healthy Food Retail Initiatives](#)
- [Identifying Optimal Areas for Supermarket Development](#)
- [Understanding the Food Production Sector](#)
- [Credit Skills for Lending to the Food Production Sector](#)
- [Food Producers Case Studies](#)
- [Identifying Partners and Convening Stakeholders](#)

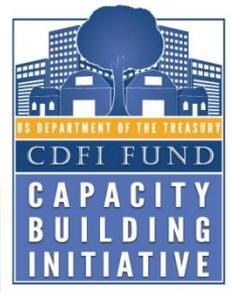
II. Training Webinars

III. Additional Resources

- Searching for Markets: The Geography of Inequitable Access to Healthy and Affordable Food
 - [Executive Summary](#)
 - [Full Report](#)
- [Financial Resources Catalogue](#)

IV. Food Desert Mapping Tools

- [USDA Food Desert Locator](#)
- [PolicyMap](#)



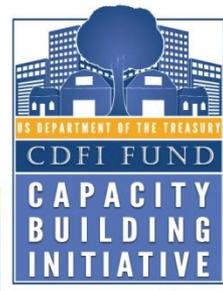
Financing Healthy Food Options Webinar Archive

http://www.cdfifund.gov/what_we_do/FHFOResourceBankWebinars.asp



The screenshot shows a web browser window with the URL www.cdfifund.gov/what_we_do/FHFOResourceBankWebinars.asp. The page features a navigation menu on the left with links: WHO WE ARE, WHAT WE DO, IMPACT WE MAKE, NEWS & EVENTS, and HOW TO APPLY. The main content area is titled "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND" and "UNITED STATES DEPARTMENT OF THE TREASURY". Below this, the page is titled "Financing Healthy Food Options Resource Bank: Webinars" and includes a note: "Relevant Training Curriculum chapters can be found on the Resource Bank's [main page](#)." The page lists four main sections of webinars, each with a list of resources:

- 1. PolicyMap and Using Limited Supermarket Analysis in Your Target Market**
 - [Webinar 1 Presenter Biography](#)
 - [Webinar 1 Accompanying Presentation](#)
- 2. Healthy Food Options Program Design and Social Impact Measurement**
 - [Webinar 2 Presenters Biographies](#)
 - [Webinar 2 Accompanying Presentation](#)
 - [Sample Retail Loan Pre-Application Design](#)
 - [Sample Retail Loan Application Design](#)
 - [Sample Retail Loan Template for Data Collection \(.xls\)](#)
 - [The Grocery Gap: Who Has Access to Healthy Food and Why it Matters](#) (Food Trust and PolicyLink)
- 3. Green for Greens**
 - [Webinar 3 Presenters Biographies](#)
 - [Webinar 3 Accompanying Presentation](#)
 - [Green for Greens: Finding Public Financing for Healthy Food Retail](#) (Public Health Law & Policy)
 - [Getting to Grocery: A Toolkit for Attracting Food Retail to Underserved Neighborhoods](#) (Public Health Law & Policy)
- 4. New American Foodshed**
 - [Webinar 4 Presenters Biographies](#)
 - [Webinar 4 Accompanying Presentation](#)
 - [Field Guide to the New American Foodshed](#)
 - [Field Guide: One Page Planning](#)
 - [National Good Food Network](#)
 - [Farm Credit Council](#)



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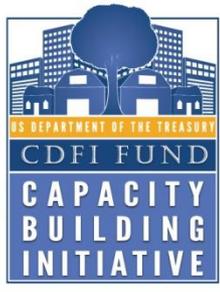
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