

Identifying Partners and Convening Stakeholders

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Introduction

In recent years, the issue of healthy food access has gained momentum attracting advocates and stakeholders from different sectors of society. Each of these stakeholders brings various perspectives, expertise and goals to the movement. Stakeholders can include local community based organizations such as food banks, community gardens, community and economic development organizations or healthy food retailers such as grocery stores, farmers’ markets and food hubs. In other cases, stakeholders are local, state and national policymakers, advocacy groups, as well as families and/or individuals who reside in underserved, low-income communities. The common denominator for these different stakeholders is an interest in expanding access to healthy food.

It is important for Community Development Financial Institutions (CDFIs) to understand the proper outreach techniques to work with new stakeholders to pursue shared goals and objectives. Engaging a new group of stakeholders can be confusing, time consuming and costly. Past experience shows that healthy food access initiatives that fail to assemble the right combination of stakeholders struggle in comparison to initiatives that engage players from these different groups. This chapter provides CDFIs with tools and strategies to identify and connect with stakeholders.

This Chapter Presents:

- A framework for understanding various types of partnerships
- Strategies for identifying and convening stakeholders
- A list of possible stakeholders to consider
- Case studies of successful stakeholder partnerships

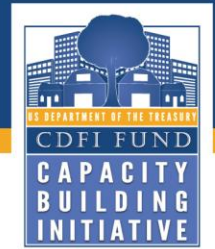
The Importance of Convening Stakeholders:

Healthy food access work typically has multiple goals, including but not limited to public health and economic development outcomes. Stakeholders can help CDFIs understand the broader context of the issues and environment in which they are working. CDFIs can benefit from convening with partners to measure and meet each of these goals. For example, a food access non-profit with expertise in food and public health can help ensure that a program, project, or policy better meets public health objectives to increase access to fresh, nutritious foods; In turn, the CDFI involved with this effort is free to focus in its area of expertise, ensuring business and financial sustainability. Furthermore, stakeholders can identify unforeseen issues, and navigate relationships at the local, state and federal levels to build networks that ensure the success of the project. It is important for CDFIs to form strategic relationships with stakeholders to access these resources. CDFIs can leverage these relationships to broaden the reach of their services and increase their visibility in the public and private sector.

Types of Stakeholder Partnerships

Stakeholder partnerships will vary depending on the goal and scope of the CDFI’s intended impact. For example, the development of a new retail operation in a specific location will require different partners than the implementation of a statewide healthy food financing initiative. This chapter outlines the three most common stakeholder partnerships:

- **Partnerships for policy development:** A “policy” refers to a course of action pursued by national, state or local governments. President Obama’s Healthy Food Financing Initiative is an example of a policy initiative.



- **Partnerships for program management:** A “program” is roughly defined as a healthy food financing initiative with a broad geographical reach that incentivizes the creation of multiple projects. The Pennsylvania Fresh Food Financing Fund (PA-FFFI), a fund seeded with \$30 million dollars from the State of Pennsylvania and administered jointly by a CDFI, food access non-profit, and workforce development organization, is an example of a healthy food access program.
- **Partnerships for project implementation:** A “project” is often a more specific effort, which may or may not be funded by a healthy food financing program. A project could include the development of a supermarket or a corner store, the financing of a value-added production effort, or a nutrition education campaign, among others.

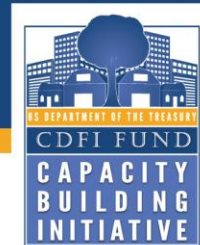
CDFIs will likely be most interested in stakeholder partnerships to support program management and projects, but should also be aware of other policy partnerships.

I. Advocacy and Policy Development

Stakeholder partnerships have been instrumental in advocating for policies at the local, state and national levels. The growing awareness around food access issues and successful healthy food financing efforts have resulted in the creation of the federal Healthy Food Financing Initiative, administered by the Department of Health and Human Services, the United States Treasury and the United States Department of Agriculture (USDA). Interest in healthy food access has also influenced new policies that are not directly related to healthy food financing. These include changes to the distribution schedule for the Supplemental Nutrition Assistance Program (SNAP) benefits (formerly referred to as food stamps), among other new legislative initiatives.

Although CDFIs do not typically lead advocacy efforts, they have played an important role in raising awareness about the need for healthy food access and the barriers related to capital acquisition that have led to unequal access. Other stakeholders involved have also included children’s advocates, public health leaders, economic development leaders, the financial sector, supermarket industry leaders, philanthropists, and government/civic sector leaders (described in more detail below). Because CDFIs lend credibility to the positive economic development impacts of healthy food financing efforts, their voice combined with those of public health and community advocates makes a strong case for investment in healthy food financing and related policies. CDFIs can speak directly to how these policies will impact small business owners, larger scale retailers, as well as job creation and community revitalization. In addition, CDFIs can represent the role that financing and access to capital plays in bringing policies to life.

For example, The Food Trust, a food access non-profit organization, has convened grocery access policy task forces in several states including Illinois, Louisiana, New York, and Pennsylvania. These task forces bring together groups of public, private and civic sector leaders who develop policy recommendations to stimulate supermarket development in a given state. CDFIs have played a prominent role on these task forces. They have worked to explore and define barriers related to supermarket development alongside other stakeholders, including merchant’s associations, supermarket operators, public health advocates, wholesalers, community development professionals, children’s advocates, and government officials. These task forces have led to a series of state and local policy recommendations, as well as the creation of healthy food financing programs in several states. A CDFI’s participation in these policy task forces contributes to the content of the policy recommendations, and establishes the CDFI as an important partner to help implement healthy food financing programs (as described in the following section).



II. Healthy Food Financing Program Management

CDFIs play an essential role in helping to manage state and city healthy food financing programs alongside other healthy food stakeholders. CDFIs typically provide the oversight for the distribution of funds resulting from such programs. Existing programs, including the Pennsylvania Fresh Food Financing Initiative, the New Orleans Fresh Food Retailer Initiative, and the New York Healthy Foods, Healthy Communities Fund, illustrate the importance of partnerships between CDFIs and healthy food stakeholders. A key aspect of these programs is that they are jointly administered by a food access organization and a CDFI. *Case studies on the New Orleans Fresh Food Retailer Initiative and the New York Healthy Food & Healthy Communities Fund are included at the end of this chapter. A full chapter detailing the Pennsylvania Fresh Food Financing Initiative is available on the CDFI Fund's website: [http://www.cdfifund.gov/what we do/resources/Healthy%20Food%20Retail%20Financing%20102411.pdf](http://www.cdfifund.gov/what_we_do/resources/Healthy%20Food%20Retail%20Financing%20102411.pdf)*

In most cases the food access organization is tasked with recruiting eligible applicants through marketing and outreach campaigns. Additionally, the food access organization completes an initial review of applications to ensure they meet the program's guidelines. Partnerships between a CDFI and food access organization help to ensure that (1) funds are allocated to projects providing quality healthy food options, (2) projects are located in areas with a need for healthy food retail, and (3) projects are financially sustainable. The CDFI's role is to manage the financial aspects of the program. Responsibilities include:

- reviewing projects for financial sustainability;
- developing structured financing products including grants, loans and New Market Tax Credits;
- underwriting loans; and
- leveraging seed money to build the fund.

All grants and loans are administered through the CDFI. The CDFI is often responsible for the ongoing financial monitoring of projects that are approved. In some cases, the CDFI is responsible for managing the program's assets in order to sustain a revolving loan fund. Partnerships between CDFIs and food access organizations help to ensure that both the public health and economic development goals of the healthy food financing program are achieved.

III. Healthy Food Retail Project Implementation

In instances where a cohesive healthy food financing program does not exist within a city, state, or region, CDFIs may be involved on a project by project basis. Project implementation refers to the actual launch of a healthy food retail project, such as the construction and operation of a supermarket or corner store, monitoring an ongoing healthy food commercial space, or the operation of a distribution or production enterprise. CDFIs can partner with healthy food stakeholders to support these retail related projects. Although bringing healthy food choices and grocery stores to communities that lack access is the primary goal of these projects, CDFIs may be responsible for monitoring these projects to ensure continued financial sustainability and public health outcomes. This type of work can include contributions in the business planning and physical construction of the retail space, or the monitoring of the day to day operations of a specific grocery or corner store. Other examples include financing a retrofit of an existing store, or an energy efficiency upgrade.

In addition to working with retail operators to expand fresh food produce in existing stores, CDFIs have partnered with food access non-profit organizations to educate consumers as well as price, promote, and strategically merchandise healthy food products in an effort influence consumer decision making.



Supermarkets and grocery stores are valuable resources in a neighborhood, not only because they provide access to healthy, nutritious food, but because they are also a space for stakeholders to engage the local community. People regularly go grocery shopping, often weekly or even more than once a week. Supermarkets and grocery stores are prime venues to educate communities about healthy eating and nutrition. Studies show that a majority of grocery shoppers seek out ways to improve their health and wellness, and that in-store marketing and educational materials in grocery stores are sources of information about nutrition.¹ Shoppers are receptive to services that help them make healthy food choices and acknowledge their health concerns about obesity, hypertension, diabetes and other diet related diseases. Both the public health community and grocery industry are recognizing the growing need for these services and the opportunity for supermarkets to develop projects that guide consumers towards healthy choices.

While CDFIs do not typically manage these types of in-store marketing campaigns or nutrition education programs, it is important for CDFIs to be aware of these initiatives and the potential partnerships these types of projects need to succeed. *For an example of a CDFI involved with nutrition education and in-store marketing, please see the case study titled: Low Income Investment Fund’s role in Financing Healthy Food Retail, included at the end of this chapter.*

Convening Your Food System Stakeholders: A Framework for CDFIs

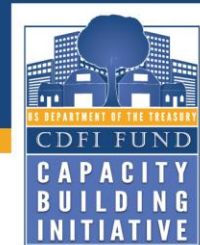
Though the process differs depending on the goals of an effort (advocacy and policy development, program management or project implementation), a general framework can be helpful to identify and engage the right food system stakeholders to execute a project. This framework can be divided into four key stages, CDFIs should:

- I. survey the current landscape to identify existing projects and key stakeholders;
- II. prepare and educate existing stakeholders and/or engage with existing projects;
- III. engage with stakeholders to execute the program or project; and
- IV. monitor and evaluate programs or projects.

I. Survey the Current Landscape to Identify Existing Work and Key Stakeholders

For CDFIs, the first step towards engaging stakeholders is to survey the landscape of current programs, projects and stakeholders in a target area. Individual stakeholder groups are listed and defined in more detail later in this chapter. It is important for CDFIs to understand the past and current nature of the landscape that supports supermarket development and healthy food access. CDFIs should be mindful of the geographical perimeters of their target areas, which help to define and inform the scope of future projects. For example, CDFIs should survey potential stakeholders statewide if the project is state-based and more locally if the project is for a city or municipality. CDFIs should identify not only stakeholders, but also their respective areas of expertise—what resources do stakeholders have to offer and what are their expectations? By identifying existing projects and locating potential partners simultaneously, CDFIs can make sure they are not duplicating existing efforts to improve healthy food access in a target area. While identifying the current landscape, CDFIs can discover useful information about the community’s needs, potential barriers, and important lessons learned from currently employed strategies. To adequately survey the current landscape, CDFIs can:

¹ “Harnessing the Power of Supermarkets to Help Reverse Childhood Obesity;” a report sponsored by The Robert Wood Johnson Foundation and The Food Trust (www.rwjf.org, www.thefoodtrust.org), April 2011. Page 4.



- appraise current projects to avoid the duplication of efforts;
- identify the geographic focus and scope of new projects; and
- consider key stakeholders and their areas of expertise for project implementation.

II. Prepare and Educate Key Stakeholders and/or Engage with Existing Projects

Once a CDFI has surveyed the current stakeholders and existing projects in a target area, they can begin to gather additional background information. This information can be used to educate and attract new partners to projects. Furthermore, this information can be used to educate partners about the complementary and/or administrative role CDFIs can play in healthy food access projects. A CDFI and its partners can work in tandem with one another to thoroughly research and document high-need areas (resources such as TRF’s PolicyMap and the USDA’s Food Desert Locator are great places to start this type of work). A partnership organization, typically a food access organization or a university, can also provide resources, manpower and expertise to inform these research enterprises. These stakeholders often bring years of work, experience and passion to efforts that develop healthy food systems. Depending on the project, a preliminary assessment of need could include the overlay of:

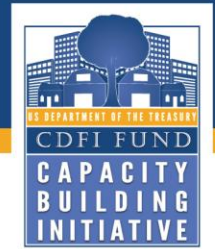
- the number of supermarkets per capita;
- weekly sales volume for supermarkets in a select area per capita;
- demographic information, including income levels and population density; and
- information about disease burden or health indicators in a target area

This data could be presented in a variety of formats; graphs and maps have been used in the past as a way to communicate the problem of fresh food access to policy makers and to address the need for action. It is important to organize and structure this data and information appropriately for different audiences and stakeholders. For example, economic development officials will be most interested in data on job creation and private sector leverage, while dieticians and children’s advocates will conceivably be most interested in studies that link supermarket access to increased fruit and vegetable consumption.

III. Engage Stakeholders and Execute the Project or Program

It is important for CDFIs to invite and engage the right group of stakeholders and leaders to work on fresh food access projects. Because the goals of many healthy food retail projects are wide ranging, it is helpful (and possible) to unite leaders who carry specific skill-sets. CDFIs do not need to engage with every stakeholder on equal terms. Depending on the CDFI’s objective and the perspective of the stakeholder, the practice of engaging with stakeholders can range from having informal conversations to establishing formal partnerships.

Past experience has shown that it is not only important to provide different types of information to different stakeholders, but it is also necessary to engage with stakeholders on different levels. For example, in order to attract unexpected partners to healthy food retail projects—such as food retail executives—it may be beneficial to limit the time commitment requested of these partners. Engaging a diverse set of players helps to demonstrate the multiple benefits and broad reach of the work, so it is important to meet their needs within the confines of the project or program. It is also important to maintain a focus on moving projects forward. A CDFI may invite a food policy council to the table, but they will want to make it clear that the project or program is focused on healthy food retail, or perhaps even more specifically on grocery store or corner store development. While a specific project may relate



to the broader food system, it does not intend to tackle the full set of challenges of local food distribution or production efforts that the food policy council aims to tackle.

IV. Monitor and Evaluate Programs and Projects

There are many reasons a CDFI should monitor and evaluate any program or project it undertakes. In many cases, they are accountable to third-party funders as well as to other parties involved. Furthermore, monitoring and evaluating projects can improve these enterprises and inform advocacy efforts and future projects.

There are many terms referring to program monitoring and evaluation, including performance metrics, impact evaluation, monitoring systems, reporting measures, return on investment and social return on investment. In general, CDFIs should ask themselves the question: *what results are most important, and how do we know if we are achieving these results?*

There is a science to selecting and measuring these results, but a CDFI must never lose sight of the financial and social goals of the project. For example, a CDFI should measure revenue or number of jobs created through a project, but it should also take note of the amount of shelf space dedicated to produce and/or amount of fresh produce sold. It is important to plan for evaluation from the very beginning of a specific project. It is best to think about what measures can be collected with an initial application or assessment. Furthermore, it is worthwhile to consider the project timeline and select measures that can be achieved in that timeframe, as well as to set expectations for partner organizations from the onset. Possible metrics include, but are not limited to:

- Sales volume;
- Percent increase of square footage for fresh fruits and vegetables;
- Increase in total sales and/or produce sales before and after the intervention;
- Customer demographics;
- Number of jobs created or retained;
- Spillover retail development in the surrounding area; and
- List of newly introduced products.

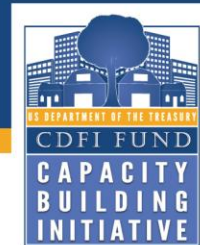
Universities and food access or other organizations that provide research based services can be useful partners for this phase of a project. They can lend sophisticated tools, credibility and experience to the evaluation efforts. Whenever possible, it is beneficial to engage these partners from the beginning of a project.

Categories of Key Food System Stakeholders

The following section provides a basic introduction to the five main categories of food system stakeholders: Non-profit Organizations, Industry and Trade Organizations, Foundations and Donor Advised Funds, Government Agencies, and Educational Institutions. Stakeholders in each of these categories can assist CDFIs in advocating for policy change, managing healthy food financing programs, and/or implementing and evaluating successful healthy food projects.

I. Non-Profit Organizations

A wide range of non-profit organizations currently work to improve access to healthy food options. This category includes groups such as community development corporations, anti-hunger/anti-poverty action



coalitions, workforce development organizations, community-based public health organizations, food access organizations and local/regional food advocacy groups. In some communities, there may be a Food Policy Council run by a non-profit organization. Some non-profit organizations are national, while others are statewide, county-wide, or municipal. Some have low-income representatives in staff or Board positions. Each community will have a unique set of non-profit stakeholders.

Non-profit organizations will often have resources helpful to CDFIs. Helpful resources may include: identification of individuals most suited to collaborating on the development of an initiative to successfully finance healthy food enterprises in a target area, provision of valuable research, technical assistance, grant writing, networking opportunities, and convening facilities. In addition, some will house healthy food enterprises themselves.

II. Industry and Trade Organizations

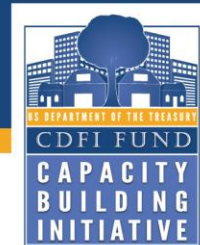
Broad-based industry support is critical to the implementation of a new program to finance a healthy food project. Working with industry and trade organizations from the outset will build support for the new initiative among those individuals who are likely to interact with new and expanding healthy food enterprises. Industry and trade organizations are particularly instrumental in advocacy and policy development efforts, as described above. They can also be instrumental in helping to identify locally-based retailers and operators interested in building new retail operations, or other professionals who can lend technical expertise to program management and project implementation. These organizations can help publicize and market successful projects and programs, which can lead to increased attention and funding, as well as a larger number of interested retail partners. Lastly, these organizations can inform CDFIs about the broad trends impacting retailers so that CDFIs can better position themselves to attract and maintain retail partners.

Grocery trade associations represent the retail and wholesale grocers that comprise the independent sector of the food distribution industry.² They generally work to support independent, community-focused retailers and wholesalers. When starting a new initiative, having the support of the local grocery trade association can help CDFIs better understand and respond to the local industry needs, identify and connect with high quality local retailers, provide technical assistance to operators, and market and promote successful projects. These entities should be invited to the table early in the process.

Farmers' market associations are trade associations dedicated to nurturing the farm-direct marketing industry.³ These associations work to support family farms that sell directly to consumers through farm stands, farmers' markets, pick-your-own farms, consumer-supported agriculture (CSA), agri-tourism venues, and other innovations in direct producer-to-consumer agricultural marketing methods. A common goal of farmers' market associations is to provide their members with the ideas, education and tools they need to increase their income. Some of these associations also provide their members with representation at state and federal levels, help build networks, develop mentoring programs, and connect farmers with tools and resources. Similar to grocery trade associations, farmers' market associations can help CDFIs connect with interested farmers and vendors, market and promote best practices, identify needs and trends, and provide technical assistance and support.

² The National Grocer's Association provides a comprehensive list of state associations and industry links at <http://www.nationalgrocers.org/resource-center/state-associations-and-industry-links>.

³ The Farmer's Market Coalition provides a list of state level organizations at <http://farmersmarketcoalition.org/other-organizations> and <http://farmersmarketcoalition.org/state-associations>.



III. Foundations and Donor-Advised Funds

An increasing number of foundations and donor-advised funds are becoming interested in funding programs and projects related to healthy food retail, production, processing, and distribution. CDFIs should explore foundations at the national, regional and local levels. Traditionally, foundations have approached healthy food access as part of their public health portfolios, though some are attracted to the field for its economic development and environmental sustainability impacts. Additionally, funders are increasingly interested in supporting cross-sector partnerships to build on existing efforts. Healthy food access projects and programs meet many of these criteria. Foundations may provide both grant support and Program-Related Investment (PRI) funds⁴.

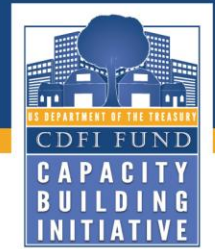
These foundations are not only a source of financial resources, but also important partners through which a CDFI can gain insight into the public health and economic needs of a community, identify existing efforts and connect with national, regional and local partner organizations.

IV. Government Agencies

From city councils to the United States Treasury, and at every level in-between, government agencies have financial and non-financial resources that can benefit CDFI efforts to support healthy food enterprises. Government entities increasingly recognize the importance of healthy food access from a public health perspective, as well as the positive implications for economic development and community revitalization.

The federal Healthy Food Financing Initiative administered jointly by the Department of Health and Human Services, the United States Treasury and the United States Department of Agriculture (USDA) provides financial resources and technical assistance to support CDFIs and partners engaged in healthy food access work. In addition to these federal efforts, relevant players and departments can include those related to planning, agriculture, social services, economic and community development and small business administration. Planning departments typically do not provide financial resources for healthy food projects, but can influence non-financial aspects such as zoning and transportation barriers to healthy food retail and distribution. State and Local Departments of Agriculture want to support local farmers and agriculture in their communities. Many can help to connect CDFIs with local and in-state vendors, and/or to marketing efforts to promote locally grown foods. In addition, the United States Department of Agriculture (USDA) offers an array of grant and loan programs to complement healthy food funding. Every state has USDA offices with connections to federal offices devoted to rural communities, food and nutrition for low-income citizens, environmental conservation, marketing and trade, education and research. To identify relevant programs, a CDFI should contact their USDA state based office. State and local departments of economic development are interested in the job creation and economic development aspects of healthy food access projects. Increasingly, fresh food retail, primarily grocery store and supermarket development, are identified as anchor institutions that attract other stores and retailers to an area, bring jobs to a local community and improve overall property values. Some state departments of economic development have applicable programs and incentives to provide

⁴ Program-Related Investment funds (PRI) refer to a new strategy many foundations including the California Endowment, Robert Wood Johnson Foundation and Kellogg Foundation, among others, are experimenting with as part of their healthy food access efforts. This marks a new strategy for philanthropic organizations as the money is not given in grant form, but rather it is invested or lent to a program or project, with an expectation that the foundation receive a financial return on this investment.



complementary funding for healthy food retail projects, including small business funds, venture funds, and tax programs. State and local departments of health are interested in healthy food access as a preventative effort to combat rising diet-related disease, obesity and rising health care costs. Some states have grant programs that invest in organizations to improve access, education, research and public policy aimed at creating a measurably healthier region. Health departments can also provide relevant data and information regarding health needs and food access to provide a contextual understanding for a project or program. They can also be instrumental in connecting with community-based health programs.

V. Educational Institutions

Centers for higher learning, research institutions and similar institutions operate on local and national levels and can offer CDFIs relevant, up-to-date information on matters relating to healthy food access. Academic institutions across the country conduct research on matters related to nutrition, healthy food access and the plight of underserved communities. These institutions can provide relevant data and contextual information to CDFIs looking to better identify areas of need. They can also provide monitoring and evaluation expertise, partner with CDFIs to identify successful strategies for project implementation, and refine programs and projects to inform future work in the field. Furthermore, many of these institutions have departments or individuals who regularly provide small business consulting and expertise, an important source of technical assistance for emerging food entrepreneurs. Academic researchers continue to do work related to in-store marketing and nutrition education efforts, to help ensure that access to healthy food retail is connected to efforts to change consumer decision making.. Academic institutions and researchers lend CDFIs innovative and valuable resources to both broaden and measure the impact of healthy food access projects and programs. Common types of research and educational institutions include:

- public health and policy departments on college and university campuses;
- local, state, and federal government research institutes;
- non-profit organizations with food access research and evaluation teams; and
- private research centers interested in policy and government affairs.

Summary and Conclusions

Healthy food retail is at the forefront of national efforts to improve health in local communities. This chapter focuses on how CDFIs can effectively convene with food system stakeholders to work towards these shared goals and objectives. It is the responsibility of CDFIs to remain aware of the relevant stakeholders in their target areas. Building bridges between CDFIs interested in financing healthy food enterprises and healthy food stakeholders is important: these stakeholders have access to valuable resources that CDFIs need to succeed.

The three most common types of stakeholder partnerships are geared towards:

- Advocacy and Policy Development;
- Healthy Food Financing Program Management; and
- Healthy Food Retail Project Implementation

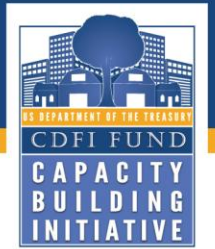
A framework for convening food system stakeholders may consist of four stages:

- Stage One: Survey and Identify Landscape of Key Stakeholders;
- Stage Two: Prepare and Educate Key Stakeholders and/or Engage with Existing Projects;
- Stage Three: Engage Stakeholders and Execute the Program or Project; and
- Stage Four: Evaluate and Monitor Programs and Projects



There are five main categories of food system stakeholders:

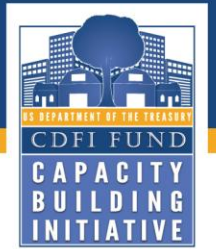
- Non-profit Organizations;
- Industry and Trade Organizations;
- Foundations and Donor Advised Funds;
- Government Agencies; and
- Educational Institutions

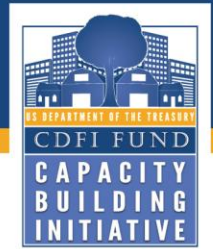


Case Studies:

Stakeholder Partnerships: Hope Enterprise Corporation and the Implementation of the New Orleans Fresh Food Retailer Initiative.

Stakeholder Partnerships: The Low Income Investment Fund's Role in Financing Healthy Food Retail in New York State.





Stakeholder Partnerships: Hope Enterprise Corporation and the Implementation of the New Orleans Fresh Food Retailer Initiative

By Jordan Tucker and Julia Koprak, The Food Trust

Hope Enterprise Corporation (HOPE) New Orleans Fresh Food Retailer Initiative
New Orleans, Louisiana

Food System Sector: Supermarkets and other Fresh Food Retail Outlets.

Target Geography: Low- to moderate-income, underserved neighborhoods in New Orleans.

Website: http://www.hope-ec.org/index.php?option=com_content&view=article&id=135&Itemid=203

Year Founded: New Orleans Fresh Food Retailer Initiative was launched in March 2011.

Number of Staff: 8

Key Stakeholders: HOPE Enterprise Corporation, The Food Trust, City of New Orleans Offices of Economic Development, State of Louisiana, Department of Housing and Urban Development, New Orleans Food Policy Advisory Committee, Tulane University, and others.

FFRI investments to date: Loans total \$117,000.

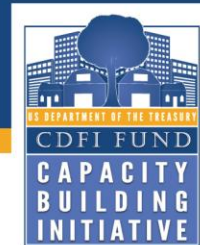
Sources of capital for FFRI: \$14+ million. A \$7 million CDBG investment from The City of New Orleans, which will be matched 1:1 by HOPE.

Impact/Outcomes: Over a one year period, 35 applications have been received by HOPE and The Food Trust. One project has been approved in the amount of a \$117,000 loan package, with many more in the pipeline.

Hope Enterprise Corporation (HOPE) is a community development financial institution (CDFI) that provides financial products and related services to communities in the states of Arkansas, Louisiana and Mississippi and the Greater Memphis area of Tennessee. Since 1994, HOPE has assisted entrepreneurs, nonprofits and small businesses garner capital for economic and community development. HOPE has generated \$1.64 billion in financing for initiatives that have impacted the lives of over 75,000 individuals.

The Food Trust is a national food access organization dedicated to ensuring healthy food access for all. For over twenty years, this Philadelphia-based non-profit has worked to develop new strategies to prevent childhood obesity and other diet-related diseases through innovative programs like the Pennsylvania Fresh Food Financing Initiative and the Healthy Corner Store Initiative, which increase access to fresh food and provide nutrition education in underserved communities.

In 2010, HOPE and its partner, The Food Trust, were selected by the City of New Orleans to administer the New Orleans Fresh Food Retailer Initiative. This pioneering \$14 million financing program supports healthy food retail in low-income, underserved areas of the city. This effort has been strengthened by HOPE's ability and willingness to convene with key healthy food stakeholders on local, state and national levels.



Hope Enterprise Corporation and The New Orleans Fresh Food Retailer Initiative

Key Fresh Food Program Partners:

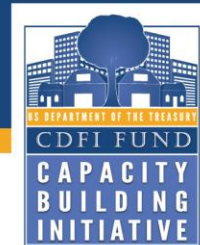
- The City of New Orleans
- The State of Louisiana/Department of Housing and Urban Development
- Hope Enterprise Corporation
- The Food Trust

Background: In recent history residents of low and middle-income neighborhoods in New Orleans have struggled to access retailers and vendors that sold healthy, affordable food. This problem was exacerbated by Hurricanes Katrina and Rita, and the social turmoil that followed these two disasters. In 2007, the New Orleans City Council supported the formation of New Orleans Food Policy Advisory Committee, which met to address issues related to healthy food access. The Committee was formed by the New Orleans City Council in 2007 and included both local and national grocers, public health professionals, banking and financial leaders, local food and child welfare proponents, hunger and poverty advocates, government officials, and other stakeholders, including Hope Enterprise Corporation. That same year, the Committee published “Building Healthy Communities; Expanding Access to Fresh Food Retail,” a report with recommendations that addressed how city and state officials in Louisiana could promote healthy food retail through the legislation of financing initiatives. The Committee and its report influenced the City to launch the New Orleans Fresh Food Retailer Initiative (FFRI) in 2011. FFRI, based on the Pennsylvania Fresh Food Financing Initiative, provides low-interest and forgivable loans to support operators to open, renovate, or expand healthy food retail outlets.

Initial Funding: The Department of Housing and Urban Development (HUD) and the State of Louisiana granted the City of New Orleans \$7 million dollars of Disaster Community Development Block Grants (D-CDBG) to seed the program. HOPE, responsible for building and overseeing the program assets, matched the City’s pledge 1:1, thereby creating a \$14 million financing platform for FFRI to begin assisting healthy food retailers.

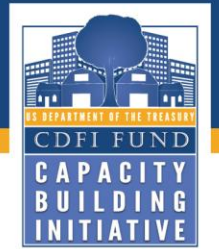
Program Management: HOPE and The Food Trust were contracted by the City of New Orleans implement the program. For the FFRI program, The Food Trust evaluates applicants to determine whether their intended projects are eligible to receive funding, conducts marketing and outreach to generate a pipeline of applicants, and evaluates the impact of the program. HOPE structures the financing packages and underwrites the loans for applicants deemed eligible. Each applicant also goes through fiscal history and environmental reviews by the City of New Orleans. HOPE works closely with these government and non-profit organization partners to provide expertise and ensure the best case scenario for potential program participants.

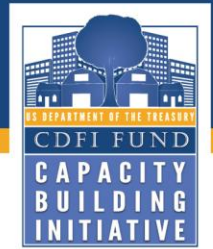
Financing Products: HOPE assists grocery operators finance activities such as pre-development, site assembly and improvement, construction and rehabilitation, equipment installation and upgrades, staff training, security and working capital for start-up costs. Once The Food Trust deems applicants eligible for the program, HOPE evaluates whether applicants are eligible for forgivable and/or interest bearing loans. The maximum FFRI loan package is \$1 million per store. Other funding opportunities are available on a circumstantial basis in the form of market-rate interest-bearing loans from HOPE or other private lenders or New Market Tax Credits. To procure these funds, HOPE works with relevant stakeholders in the traditional banking sector. The CDFI’s Credit Analysis Department assists applicants implement their business plans and develop timetables to repay loans in accordance with program requirements. Applicants are required to provide a minimum of 10% cash equity. Additionally, they are responsible for the payment of legal and assessor fees.



Progress to Date: As of April of 2012, the FFRI has received 35 applications from neighborhoods across Orleans Parish. To date, HOPE has approved 1 loan package to DaFresh Seafood and Produce Market. DaFresh was awarded \$117,000 (out of a total project cost of \$249,840), including a forgivable debt component of \$11,700. This family-owned food retail establishment will allocate these funds to rebuild a structure that will re-open as a small store that offers fresh seafood, fruits and vegetables. The location of the proposed store is in a re-developing mixed income area of the city. The grocer intends to hire new employees for the store who live in the surrounding community. The remaining applications for the FFRI program are being reviewed by HOPE and The Food Trust, and the program partners are looking forward to announcing other funded projects in the upcoming year.

City government alongside civic and industry leaders helped to set the stage for the creation of this program. The partnership between The Food Trust, a food access non-profit, and Hope Enterprises, a CDFI, helps to ensure that funds are allocated to the best projects, projects are located in areas with a need for healthy food retail, and projects are financially sustainable.





Stakeholder Partnerships: The Low Income Investment Fund’s Role in Financing Healthy Food Retail in New York State

By Jordan Tucker, The Food Trust; Nessa Richman, Brightseed Strategies

Low Income Investment Fund (LIIF); New York Healthy Food & Healthy Communities Fund (HFHCF)

New York, New York

Food System Sector: Retail Supermarkets.

Target Geography: Low- to moderate-income, underserved areas of New York State.

Website: <http://www.liifund.org/nyhealthyfood>

Year Founded: The New York Healthy Food & Healthy Communities Fund was initiated in 2010.

Number of Staff: LIIF has 50 staff; there is 1 full-time and 5 part-time staff members assigned to the Healthy Food & Healthy Communities Fund.

Key Stakeholders: The Food Trust, The Reinvestment Fund, New York State Health Foundation, New York State Department of Agriculture and Markets, Goldman Sachs Group, Inc., and the Empire State Development Corporation (ESDC).

LIIF Total Revenues: \$950 million in financing and technical assistance.

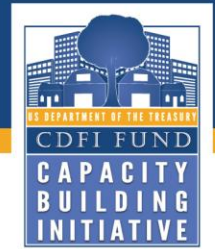
HFHCF investments to date: \$6 million (in grants and loans) for 8 projects.

Sources of capital for HCF: \$30+ million. A \$10 million grant from New York State (via ESDC) and a \$20 million loan from Goldman Sachs. Additional funding for program administration has been provided by New York State (via ESDC), the New York State Health Foundation, Goldman Sachs’ Urban Investment Group, and an anonymous family foundation.

Impact/Outcomes: Over a three year period, the initiative is projected to create or preserve 3,075 direct jobs, 382 construction jobs as a result of project activity, and 740,000 square feet of supermarket space. It estimates it will expend all \$30 million in capital for healthy food retail projects during a three year period.

The Low Income Investment Fund (LIIF) is a community development financial institution (CDFI) that provides innovative capital solutions to support healthy families and communities. Since 1984, LIIF has served more than 890,000 people by providing \$950 million in financing and technical assistance to serve the nation’s poorest and hardest-to-reach populations. LIIF’s six programs—housing, child care, education, green financing, healthy food and transit-oriented development—form a comprehensive approach to community development based on a vision for healthy people and communities.

In 2010, LIIF and its partners, The Reinvestment Fund and The Food Trust, were selected to launch the New York Healthy Food & Healthy Communities Fund (HFHCF). HFHCF is an innovative \$30 million financing program that supports the development of healthy food markets in underserved communities throughout the state. Since The HFHCF’s inception, LIIF has worked to further the program’s influence



through the implementation of in-store nutrition education and marketing campaigns that incentivize consumers to purchase healthy foods.

Development of the Fund

HFHCF is the result of broad collaboration among public and private sector partners. The fund grew out of the work of the New York Supermarket Commission, a group of food industry representatives, advocacy organizations, government agencies, financial institutions and foundations convened by The Food Trust and the New York City Food Policy Coordinator to address the issue of food access in New York. One of the formal recommendations made by the commission was the establishment of a fund for New York modeled after the Pennsylvania Fresh Food Financing Initiative.

The state took the lead on the effort through ESDC, which committed \$10 million to seed a public-private fund and another \$600,000 for program administration. The New York City municipal government did not contribute financing, but did parallel work to address zoning and tax issues to support the HFHCFs efforts. ESDC, which administered the grant on behalf of New York State, led a formal and comprehensive process to create the Fund, including issuing a Request for Proposals (RFP) to select a program administrator. In December 2009, LIIF was chosen as the lead administrator for the fund.

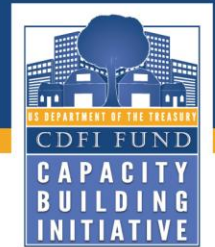
As part of its proposal, LIIF committed to leveraging the \$10 million in state funds at a 2:1 ratio. To achieve this goal, LIIF partnered with Goldman Sachs, which committed \$40 million to the program, a 4:1 leverage, doubling the original goal. Half of the funds (\$20 million) became available immediately to leverage the State's \$10 million. The balance of the commitment (\$20 million) is dependent upon the Fund raising additional subordinate funds from other investors. LIIF hired a full-time staff member to manage the program. HFHCF was launched formally in September 2010 through a comprehensive marketing campaign.

How the Healthy Food & Healthy Communities Fund Works

Administration: As lead administrator, LIIF manages all aspects of program execution including program design, capital raising, marketing, origination, underwriting, servicing, and asset management. LIIF also manages all oversight and reporting requirements. LIIF works closely with two key partners to manage the Fund: The Reinvestment Fund (TRF) and The Food Trust. Building on its experience running the Pennsylvania Fresh Food Financing Initiative, TRF provided program design guidance and market analysis on limited supermarket areas using its mapping tool, PolicyMap. TRF is also providing shadow underwriting for loans in the first year of the program. The Food Trust, a nonprofit organization, leads marketing and outreach efforts and conducts program eligibility analyses for potential HFHCF participants. With funding from Goldman Sachs, The Food Trust also works to design and pilot nutrition education and in-store marketing strategies in select locations.

Financing Products: The Fund's goal is to meet the financing needs of food markets in underserved communities, which often cannot obtain conventional financing for infrastructure costs and credit needs. HFHCF participants can obtain grants and/or loans for capital projects and related predevelopment activities, including real estate acquisition, construction or rehabilitation, leasehold improvements, equipment and infrastructure. HFHCF provides grants between \$5,000 and \$500,000 and loans between \$250,000 and \$5,000,000 or larger for New Markets Tax Credit transactions.

Eligibility: HFHCF can assist for-profit business enterprises, not-for-profit corporations, agricultural cooperative corporations, public benefit corporations, municipal corporations, regional market facilities,



and food cooperatives that are developing or operating food markets in underserved areas in New York State. HFHCF determines whether an area satisfies both of the following criteria: (1) location in a low or moderate income census tract (or a food market site with a customer base of 50% or more living in a low-income census tract) using 2000 Census data to determine census tract household income level; and (2) location in a census tract with below average food market density as determined by The Food Trust, which analyzes food market density for project locations on a case-by-case basis using Policy Map. The Food Trust estimates the applicant food market's trade area considering metrics such as population density, car ownership rates, geographic barriers, and analyzes the availability of healthy food at existing retail outlets within the trade area.

Grant and loan recipients must accept nutrition assistance benefits (e.g. SNAP, WIC), meet minimum retail square footage criteria and achieve at least three additional program goals. Additional program goals include:

- make a positive impact on the local economy;
- increase tax revenues for the host municipality, region or state;
- create a new agricultural economic development opportunity;
- adhere to sound land use principles;
- promote community development by working in conjunction with other programs;
- incorporate energy efficiency and green building principles;
- provide healthy, nutritious food that is produced using sustainable agricultural practices; and
- participate in the Pride of New York program.

Progress to Date:

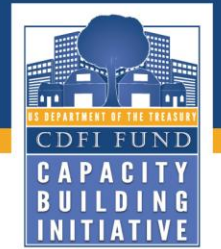
HFHCF awarded its first grant, for predevelopment, to Conklin Reliable Market in December 2010. Conklin Reliable is a second-generation, family-run market that serves a low-to-moderate income area with few fresh food options in the Southern Tier region of New York. The predevelopment grant has enabled Conklin Reliable Market to initiate plans to build a store twice the size of its existing facility.

HFHCF approved its first loan on April 27, 2011 to a grocery store in a low-income area of Westchester County, just north of the Bronx.

In spring 2011, HFHCF approved three Capital grants totaling just over \$1.04 million and two loans (one Construction and one Permanent) totaling \$2.5 million.

HFHCF's pipeline included approximately 100 applications representing over \$50 million in loan requests and over \$17 million in grant requests. Most applicants in New York City are independent operators and small chains which operate under common banners. Upstate, most applicants are small local stores and independent franchises. HFHCF has also supported mobile markets and is open to alternative models for grocery retail.

LIIF has worked extensively to promote healthy food options in grocery stores and supermarkets. *Supermarket Strategies to Encourage Healthy Eating* is a project designed to complement and reinforce HFHCF's goal to support the health and well-being of New Yorkers. The project's in-store marketing campaign is designed to attract consumers to healthy food retail by providing consumers with relevant resources and nutritional information on healthy food options. The effort was piloted in two New York City supermarkets. The resulting toolkit is available for any interested operators of grocery stores and supermarkets to employ a variety of tools and strategies—including store tours, nutrition education



seminars and materials, taste test events and health screenings—to incentivize consumers and encourage healthy eating.