



FEATURED SPEAKERS

Caroline Harries

Associate Director
The Food Trust



Julia Koprak

Program Manager
The Food Trust



Sajan Philip

Loan Officer
Low Income Investment Fund

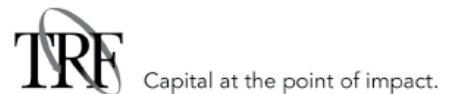


Gary Williams

Senior Vice President
Hope Enterprise Corporation



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



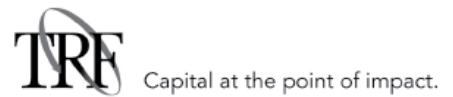
Support for the Healthy Food Access Portal was provided by a grant from the Robert Wood Johnson Foundation.



PolicyLink is a national research and action institute advancing economic and social equity by Lifting Up What Works®. www.policylink.org

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

The Food Trust is a nonprofit founded in 1992 to make healthy food available to all by working with neighborhoods, schools, grocers, farmers and policymakers to develop a comprehensive approach that combines nutrition education and improving access to affordable, healthy food. www.thefoodtrust.org



Support for the Healthy Food Access Portal was provided by a grant from the Robert Wood Johnson Foundation.

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



Survey Slide



Healthy Food Access Portal

PolicyLink



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Welcome to the nation's first comprehensive healthy food access retail portal.

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

Treasury NOFA

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



[Resources](#) | [Find Money](#)



Key Players

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

[News](#) | [Events](#)



Michelle Obama: The Business Case for Healthier Food Options

For years, America's childhood obesity crisis

[Policy Efforts](#) | [Retail Strategy](#)



Mississippi

The Mississippi House of Representatives recently passed **MS HB 798, the Healthy Food**

Who we are: Webinar Presenters

The Food Trust	LIIF	HOPE
<ul style="list-style-type: none"> • National non-profit organization (based in PA) • Advocates for healthy food access at the local and federal level • Manages or provides technical assistance to healthy food financing programs around the country, including PA, NY, NOLA 	<ul style="list-style-type: none"> • National CDFI • Fund manager for New York HFHC program • HFFI recipient • \$1.3 billion invested in communities • 1.4 million people served • \$70 million in food retail and food security financing 	<ul style="list-style-type: none"> • CDFI with core markets in Arkansas, Louisiana, Mississippi, and Tennessee • Fund manager for New Orleans FFRI program • Assisted more than 400,000 families for over \$1.7 billion in financing



Partnerships for Healthy Food Financing



Healthy Food Financing: National Momentum

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



So you're interested in healthy food financing...

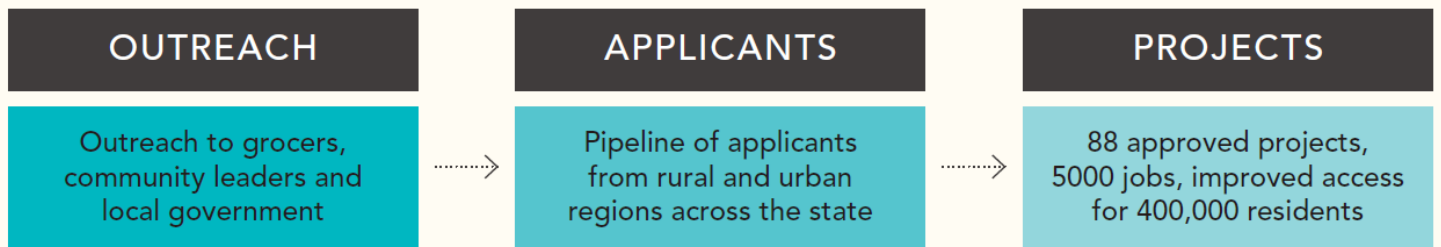
Program Implementation:

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



Marketing and Outreach

CULTIVATING HEALTHY FOOD RETAIL PROJECTS



Best Practices in Outreach to Grocers

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



Fund Overview



Nourishing the People and Communities of New York

The New York Healthy Food & Healthy Communities Fund

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

Financing Products

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

Eligible Applicants

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

How to Apply

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



Program Highlights

- Affordable financing for new and existing facilities
- Available to for-profit businesses, not-for-profit corporations, agricultural cooperatives, public benefit and municipal corporations, regional market facilities, and food cooperatives
- Technical assistance for capital structuring and project management

Public Partners

- Empire State Development
- New York State Department of Agriculture and Markets

Capital Partners

- Goldman Sachs Group, Inc.
- New York State Health Foundation

Fund Administrators

- Low Income Investment Fund
- The Reinvestment Fund

Food Access Partner

- The Food Trust

Contact Information

Low Income Investment Fund
521 Fifth Avenue, Suite 625
New York, NY 10175
(212) 509-5509 x16
nyhealthyfood@lifund.org



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

Basic Loan Terms ⁽¹⁾

(September 2010)



Nourishing the People and Communities of New York

Project Requirements		Sponsor Requirements	
Project Site	Evidence of site control	Guaranty/Recourse	Full recourse to Sponsor and/or personal guaranty to owner of Sponsor, cross corporate guaranty if applicable
Location	<ul style="list-style-type: none"> LMI census tract or ≥50% of customers living in low-income tract Below average food market density 	Equity Requirement	<ul style="list-style-type: none"> Real estate: 10% min Other: 20% min For profit: cash equity Nonprofit: cash, grants or contributed real estate
Collateral/Security	1st lien on real estate, leasehold mortgage or equipment & fixtures	Financial Records	Personal credit check, financial statements and 3 years of tax returns
Financial	<ul style="list-style-type: none"> 3 years of audited or unaudited prepared financial statements 3-5 years of operating projections ⁽²⁾ Development budget with sources & uses 	Operator	Executed lease by closing (if Sponsor is not operator directly)
Uses	Real estate acquisition, construction or rehab, equipment or infrastructure, term/gap financing, predevelopment	Experience	8 years of operating experience
Underwriting Requirements		Lender Fees & Other	
Coverage	1.2x debt service (or fixed charge coverage if leased site)	Interest Rate	T + 300bps ⁽³⁾ with floor of 6%, fixed at closing
LTV	Real estate: up to 80% of value Equipment: up to 50% of cost	Origination Fees	1 to 2%
Predevelopment, Acquisition & Construction Loans	Up to 2 years	Appraisal	Required, to be originated by Lender
Term & Leveraged Loans	Up to 7 years (with up to 25-year amortization for real estate loans)	Interest Payments	Interest only, except term loans
Size	\$250,000 to \$5,000,000 or larger for NMTC leveraged loans	Prepayment	<ul style="list-style-type: none"> Lockout for first 12 months Yield maintenance on term loans, no penalty on others
		Reports	Environmental Phase I, geotechnical
		Deposit	\$10,000 for 3rd party costs before closing

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

- In some cases loans may be paired with a grant. For more info, refer to the *Program Guidelines* at www.lifund.org/nyhealthyfood.
- To the extent possible, financial information for the project should be provided in working Excel format.
- NMTC leveraged loans and non-conforming loans will be priced and structured for each project independently.




Project Success Stories

- Foodtown – Mount Vernon, NY
- MyTown Marketplace – Highland Fall, NY
- Buffalo Grown Mobile Market – Buffalo, NY



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

Foodtown – Mount Vernon, NY



Foodtown is a full-service supermarket located on a primary thoroughfare in downtown Mount Vernon, New York, a densely populated, lower-income neighborhood where more than half of schoolchildren qualify for free or reduced-price school meals. Financing from the HFHC Fund will enable the store's owner, Esmal Mobarak, to complete a full renovation and expansion of the store and provide more fresh foods to the community. Mr. Mobarak is a second-generation grocer who owns another supermarket in the Bronx. He is highly involved in both locations and tailors his product mix to each neighborhood's clientele.

The HFHC-funded renovation will include installation of energy-efficient lighting and equipment and an expansion of Foodtown's perishable departments by 3,000 square feet to accommodate a greater variety of produce, fish and meat to cater to the diverse preferences of local residents. Through these enhancements, Mr. Mobarak will be able to better serve the Mount Vernon community.


MyTown Marketplace – Highland Falls, NY



Husband and wife Albert Rodriguez and Lisa Berrios plan to reopen a vacant supermarket in the village of Highland Falls in New York's Mid-Hudson region. The area is home to a large population of seniors and families. Since the local supermarket closed last year, the mayor has been providing residents with weekly bus service to the nearest grocery store, which is 11 miles away.

Financing from the New York HFHC Fund to MyTown Marketplace will enable Mr. Rodriguez and Ms. Berrios to reestablish a grocery store in their community. The funds will allow the owners to make improvements to the store and expand the perishable departments so that they can offer more produce, fish and meats. The owners plan to hire eight full-time and 19 part-time employees. In addition, they will work with the local high school to offer job training to students and plan to offer part-time employment to senior citizens. The store is registered to participate in the "Pride of New York" local agriculture promotion program.

Buffalo Grown Mobile Market – Buffalo, NY



Massachusetts Avenue Project's (MAP's) Buffalo Grown Mobile Market delivers organic, locally-grown, affordable produce to Buffalo's low-income, food insecure neighborhoods. Buffalo Grown Mobile Market travels regularly to drop-off sites where it sells fresh fruits and vegetables and bulk items, like rice and beans. MAP works with local community partners to identify drop-off sites that serve people most in need, such as health and senior centers. MAP grows the majority of the produce it sells on its own urban farm and offers on-site nutrition education for market patrons. The Mobile Market is equipped with an EBT machine and accepts SNAP benefits.

In 2010, MAP's Mobile Market vehicle became inoperable. Financing from the HFHC Fund will allow MAP to purchase and retrofit a new vehicle so that it may continue to bring healthy, local food to the residents of Buffalo's most underserved communities.

Contact Information
 Low Income Investment Fund, 521 Fifth Avenue, Suite 625, New York, NY 10175 | (212) 509-5509 x16 | nyhealthyfood@lifund.org



Location, Location, Location

Median household income in 2009 by county

Food Desert Locator
 Highlighted census tracts are food deserts. Click on a tract for details.
 Find Address Change Background Print Map Help
 Make tracts more/less transparent
 more less

☆ **Limited Supermarket Access (LSA) status, as of 2011.**
 United States

Washington Oregon California Arizona New Mexico Nevada Utah Colorado Wyoming Idaho Montana North Dakota South Dakota Minnesota Wisconsin Illinois

2012 Baltimore City Food Environment
 Food Desert
 Healthy Food Retail: Supermarket, Farmers Market, Public Market, Vitamin Supermarket, Non-Residential
 Department Store/Big Box Retailer, Grocery Store, Supermarket, Market, Liquor, & Beer Store, Pharmacy, Convenience Store, Gas Station, Other Food Retailer

MAP 6
 Areas with Greatest Need

supermarkets near Harlem, New York, NY

- Fine Fare** - 130 Lenox Ave, New York, NY (212) 828-9951
 2 reviews
 "I really want to like this store because \$54.99's on my way home from he ..."
- Bravo Supermarkets** - 2395 Frederick Douglass Blvd, New York, NY (212) 678-0589
 2 reviews
 "This is a nice market especially if you need low scale nonfancy groceries. ..."
- Associated Supermarket** - 1440 Amsterdam Ave, New York, NY (212) 234-1869
 4 reviews
 "Don't like at all"
- C-Town Supermarkets** - 3320 Broadway, New York, NY (212) 234-8100
 1 review
 "C-Town isn't as big as the nearby Fairway, but the prices are about half ..."
- Malcolm Shabazz Harlem Market**

BAHAMAS

Determining Eligibility

FRESH FOOD FINANCING INITIATIVE ELIGIBILITY CRITERIA

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

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

Community Fit: Meets community needs and expectations



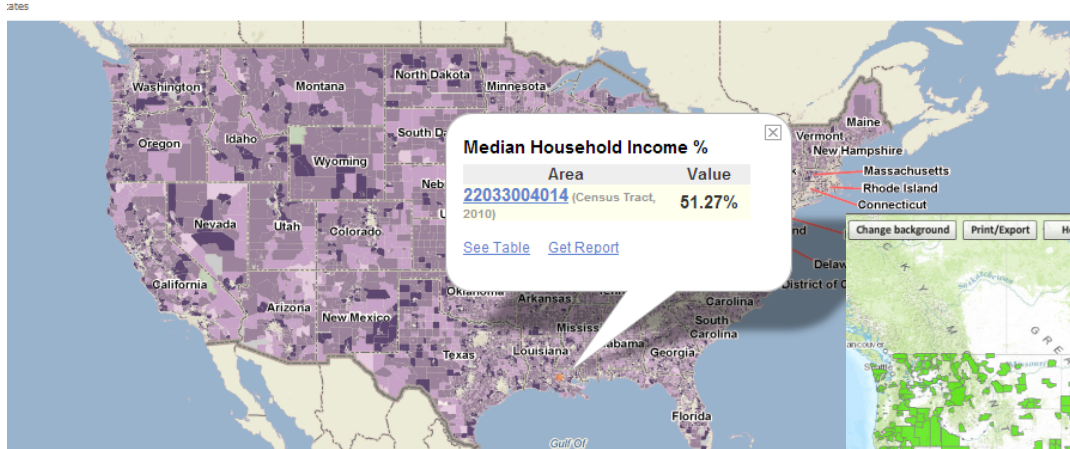
Community Fit

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

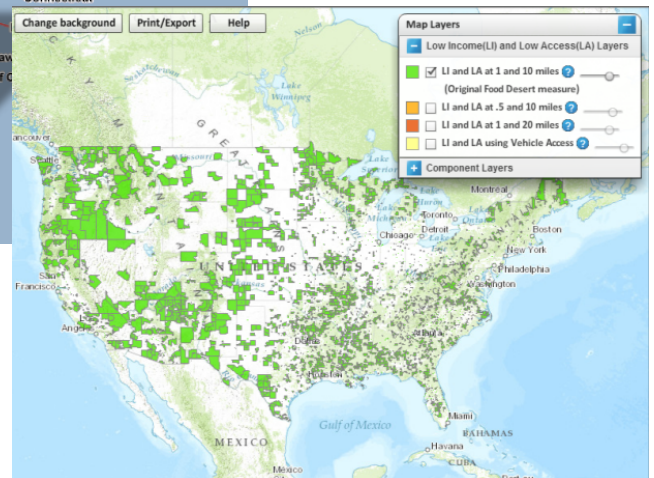


Mapping Tools

Local Median Household Income as a Share of Area Median Household Income between 2007-2011



PolicyMap



USDA Food Access Research Atlas

Local verification

- Is there existing food retail within the trade area? What kind?
- Are stores correctly labeled and represented in databases?
- How far are residents traveling to the nearest grocery store?
- Is there an undocumented low-income population?
- Is there significant grocery retail leakage in the trade area?



Data Source	Related Criteria
Census, American Community Survey	Income
HUD	Income
CDFI Fund	Income
Trade Dimensions	Underserved
Google Maps	Underserved
USDA Food Access Research Atlas	Income, Underserved
TRF Limited Supermarket Access Study	Underserved
Local Grocers Association/Wholesalers	Community Fit, Underserved
Site Visit	Community Fit, Underserved
Store Calls	Underserved
Local Market Data	Underserved

New York Healthy Food & Healthy Communities Fund

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



New Orleans Fresh Food Retailer Initiative

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



The Money...

Financing Structures and Leverage

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



ReFresh/Whole Foods, New Orleans

- 60,000 sq ft mixed-used development to include: Whole Foods (smaller sq ft with focus on value), Liberty Kitchen (culinary training at risk youth), Tulane University (medical teaching kitchen)
- Total Project Costs of \$19,000,000
 - Uses of Funds: Acquisition, Hard/Soft Costs, Developer Fee
 - Sources of Funds:
 - FFRI (forgivable + interest loan) 1,000,000
 - Newman's Own (forgivable) 250,000
 - FFLA 500,000
 - Goldman Loan 3,000,000
 - LIIF Loan 1,500,000
 - NORA Loan 1,000,000
 - NMTC Equity 5,500,000
 - Whole Foods Equity 5,300,000
 - Deferred Developer Equity 1,000,000



ReFresh: Before and After



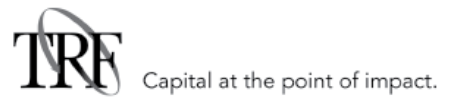
Nojaim Brothers Supermarket – Syracuse, NY



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



Questions and Answers



Support for the Healthy Food Access Portal was provided by a grant from the Robert Wood Johnson Foundation.



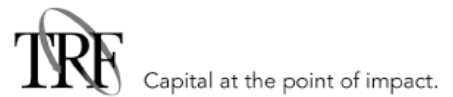
Thank you!!

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