

Special Report: HFFI Impacts

The Nationwide Success of Healthy Food Financing Initiatives, A Proven, Economically Sustainable Solution



Access to healthy food is a critical component to building sustainable food systems, thriving communities and strong economies, but across the country, millions of families experience the hardship and consequences of inequitable access to healthy food. Healthy Food Financing Initiatives (HFFI) are the proven and economically sustainable solution to the lack of fresh food access in lower-income, underserved communities, and as HFFI realizes success through policy wins and community transformation, it is imperative that the movement double-down on advocacy efforts and create policy change while taking stock of the valuable lessons learned over 10 years of practice.

This report, created with support from Voices for Healthy Kids, aims to provide champions, allies and stakeholders with the background, data and resources to demonstrate the impact and success of healthy food financing efforts. Advocates will find the framework for evaluating the impacts of HFFI, case studies, as well as the accomplishments achieved by project investments and HFFI programs across the country.

Executive Summary

Access to healthy food is a critical component to building sustainable food systems, thriving communities and strong economies, but across the country, millions of lower-income families in urban communities, small towns and rural areas experience the hardship and consequences of inequitable access to healthy food. As a result, the movement to bring nutritious, affordable food into the neighborhoods and communities that need it most grows as advocates, nonprofits, producers, aggregators, retailers and economic development institutions align common goals across shared policy objectives. Specifically, targeted advocacy efforts are leading to local, state and federal policy change that encourages the development of supermarkets and other healthy food retail in communities lacking access.

WHAT IS EQUITABLE FOOD ACCESS?

“Healthy, high-quality food is widely and easily available, accessible and affordable across all neighborhoods. Communities know how and are able to obtain these foods in a culturally relevant and respectful fashion.”

▪ ROBERT WOOD JOHNSON FOUNDATION, HFFI WORKING SESSION REPORT, AUGUST 2016

Healthy Food Financing Initiatives (HFFI) are the proven and economically sustainable solution to the lack of fresh food access in lower-income, underserved communities commonly known as “food deserts.” Across the country, these public-private partnerships provide one-time grants and loans for the development or renovation of healthy food retail and other projects, such as grocery stores, corner stores, mobile markets, food hubs and farmers markets. HFFI revitalizes distressed communities by supporting local business development and creating triple-bottom-line benefits with meaningful impacts on community health, job opportunities and economic stimulus. Tremendous progress to bring healthy food retail into underserved communities has been made since the launch of the nation’s first healthy food financing program in Pennsylvania in 2004. To date, programs at the city, state and federal levels across the

country have been successfully advocated and launched, driving public and private investments to finance more than 1,000 projects and create thousands of jobs.

For too many Americans, however, a healthy diet is still out of reach — the result of generations of disinvestment in urban neighborhoods and neglect in tribal communities, as well as the challenge of sustaining or attracting businesses to rural areas where population sizes are smaller and distribution challenges larger. These families are missing out on affordable access to nutritious food, as well as the economic opportunities, like jobs, and revitalization brought by healthy food access.

As HFFI realizes success through policy wins and community transformation, it is imperative that the movement double-down on advocacy efforts to raise awareness of the challenge of healthy food access and create policy change while taking stock of the valuable lessons learned over 10 years of practice. This report aims to provide champions, allies and stakeholders with the background, data and resources to demonstrate the impact and success of healthy food financing efforts. Advocates will find the framework for evaluating the impacts of HFFI, case studies, as well as the accomplishments achieved by project investments and HFFI programs across the country.

The Grocery Gap

According to the United States Department of Agriculture (USDA), 39.4 million Americans continue to live in communities where it is far easier for most residents to buy grape soda instead of a handful of grapes (1). Lower-income families have access to fewer supermarkets and other healthy food retail outlets that provide a wide selection of affordable, nutritious foods (2) (3). This problem impacts residents of both urban and rural areas across the country and is compounded by disproportionately higher rates of diet-related disease and the lost commercial vitality that makes communities livable and helps local economies thrive.

The challenge of healthy food access is notably persistent for those living in communities of color — the very same communities that are quickly growing in number and population share (4) (3). By 2044, a majority of Americans will be people of color (5). According to the 2012 study, *Searching for Markets: The Geography of Inequitable Access to Supermarkets in the United States*, African-Americans are 2.49 times and Latinos are 1.38 times more likely than Whites to live in neighborhoods without access to a full-service grocery store. Further, families living in a low-income block group are 2.28 times more likely to travel a greater distance to shop at a grocery store or supermarket than middle-income households (6). Historically, people of color have lived in, and continue to live in, the most under-resourced communities with the lowest-performing schools, poor access to transportation, inequitable access to affordable, healthy food and the furthest distance from quality jobs (7). Intentional and persistent disinvestment and discriminatory credit practices— e.g., redlining— in these communities have contributed to the deep racial disparities in health and economic outcomes (7).

WHY ACCESS TO HEALTHY FOOD MATTERS

- Accessing healthy food is a challenge for many Americans—particularly those living in low-income neighborhoods, communities of color, rural areas and small towns.
- Access to nutritious food is associated with lower risk for obesity and other diet-related diseases.
- Healthy food retail creates jobs and helps revitalize low-income neighborhoods and towns.

For example, an analysis examining food access in low-income African-American and White communities in Detroit, Michigan found that low-income African-American residents traveled farther to the nearest supermarket as compared to their White counterparts, despite similarities in economic status (8). In Baltimore, Maryland, similar disparities exist, disproportionately affecting children and Blacks. A study by the

Baltimore Food Policy Initiative and the Johns Hopkins Center for a Livable Future found that 30% of Baltimore's children and 34% of African-Americans are living in areas with limited access to healthy food (9). The trend continues on the West Coast when in Los Angeles, California, predominately White neighborhoods benefit from nearly three times as many grocery stores as Black neighborhoods and twice as many stores as Latino neighborhoods (10).

At the same time, inequitable access to healthy food in rural areas, small towns and tribal communities is devastating families across the country. Even in agricultural centers where fruits and vegetables are being grown, residents may not have access to affordable produce (11) (12). Many of the communities lacking healthy food access identified by the USDA are in rural America, where 10 miles is typically considered a reasonable distance to travel to a grocery store, supermarket or other retail food outlet. However, it is not uncommon for the closest grocery store to be much farther away, and people living in low-income, rural communities typically have the farthest distances to travel to access healthy food (13). In tribal communities, these challenges also apply and are compounded by historical discrimination and hardship, which has negatively impacted American Indian sovereignty, health and economic outcomes (14). A study examining healthy food access in California's tribal communities found significant inequities in access across tribal and non-tribal areas with tribal communities boasting far fewer healthy food retailers (15). Studies of tribal communities in Arizona, New Mexico and Washington found similar conclusions (16) (17) (18).

The healthy food access challenges in rural areas, small towns and tribal communities are unique. The USDA estimates that 2.3 million people live in rural areas that lack access to healthy food, 60% of whom are low-income (13). Smaller populations from which to draw customers, food distribution challenges, lack of transportation infrastructure and the aging of store owners are contributing factors as well (19) (13). Further, poverty in rural counties of the country is greater than in metro or urban counties, compounding the problem of healthy food access. Specifically, the South (region of the country) holds the highest poverty gap between rural and urban counties

while Blacks and American Indians in those communities have the highest incidence of poverty (20).

The challenge of healthy food access in the most under-resourced communities across the country is exacerbated by poverty and diet-related disease. Without easy, affordable access to healthy food, families are forced to make difficult decisions about the food they eat. The recent evaluation of the dietary patterns of Americans, published in the Journal of American Medical Association, finds that while the overall dietary quality of Americans was poor, those with low socioeconomic status had worse dietary quality and the gap between socioeconomic levels grew between 1999 and 2010 (21). At the same time, a 2016 analysis of more than 18,000 households in more than 21,000 U.S. counties found that individuals living in USDA-designated “food deserts” had their odds of obesity increased by 30% as compared to those living in areas not designated as a “food desert” by USDA (22). The costs of these disparities are real. A recent study by the Milken Institute calculated the direct medical costs for diet-related disease in 2014 at \$427.8 billion (23).

Healthy food retailers not only offer opportunities to purchase nutritious foods, but they also serve as economic anchors for further commercial revitalization, creating local jobs, generating tax revenues and capturing local dollars within the community, among other economic and community development outcomes. For example, it is estimated that 24 new jobs are created for every 10,000 square feet of retail grocery space, so a large market can generate between 150 and 200 full and part-time jobs (24). Attracting and incentivizing new or improved healthy food retail in communities of color and low-income, urban, and rural communities is an important component of a comprehensive strategy to revitalize disinvested areas by improving health and economic outcomes in the places that need it most.

The challenge and hardship presented by inequitable access to healthy and affordable food is well documented throughout academic research and gray literature (non-peer reviewed) and has moved to the forefront of community, civic and policymakers’ agendas. A shared recognition of the role that healthy food access plays in promoting

stronger local economies, vibrant neighborhoods and healthy families has sparked support for healthy food financing to bring long-lasting investments in projects ranging from grocery stores to farmers markets, mobile markets, food hubs and corner stores.

The Launch of a Movement

Across the country, HFFI is taking root and solving the challenge of inequitable access to healthy food in lower-income, underserved communities by providing financing to healthy food retailers looking to build new locations or expand their businesses.

Investments are bringing affordable, healthy options to families and are transforming urban communities, rural areas and small towns through revitalization, local job creation and retention and tax revenue generation. New healthy food retail projects are also capturing local spending, recirculating dollars in communities, expanding market opportunities for local farmers, grocers and entrepreneurs and are serving as economic anchors to catalyze additional business development.

HFFI efforts at the local, state and federal levels are driving equity, community health and economic vitality.

Launched in 2004, the Pennsylvania Fresh Food Financing Initiative (FFFI) was the nation's first statewide healthy food financing program, developed in response to research finding that Philadelphia had the second fewest per capita grocery stores of any large city. The result of advocacy efforts by The Food Trust and the leadership of then State Representative Dwight Evans, the FFFI was seeded with a \$30 million state appropriation to the First Industries Fund — a \$2.8 billion economic stimulus package — to the Department of Community and Economic Development over three years. The initiative was a public-private partnership led by the Commonwealth of Pennsylvania, The Food Trust, Reinvestment Fund and Urban Affairs Coalition. The FFFI provided one-time grants and loans to grocery operators and other healthy food retailers to build

or expand markets in lower-income, underserved urban and rural communities. **Over six years, the program financed 88 projects, created or retained 5,000 jobs, added 1.67 million square feet of retail space, and increased healthy food access for nearly 400,000 Pennsylvanians.**

Recognized by Harvard University's Ash Center as one of the *Top 15 Innovations in American Government* and the Centers for Disease Control and Prevention in its *Showcase of Innovative Policy and Environmental Strategies for Obesity Prevention and Control*, FFFI proved that, with public sector incentives, grocers and other healthy food retailers could overcome the higher costs — such as land assembly, infrastructure needs, risk management, and workforce development — associated with store development in underserved communities and open profitable businesses.

The success of the model in Pennsylvania has driven the design and creation of similar initiatives. Several states and metropolitan areas have also launched financing programs dedicated to bringing fresh and healthy food to their communities, including California, Colorado, Houston, Illinois, New Orleans, New Jersey, Michigan, Minnesota, Ohio, New York, Virginia, South Carolina and the mid-South states of Louisiana, Mississippi and western Tennessee. As a result of the culmination of local, state and federal healthy food financing efforts, more than one thousand projects have been financed, tens of thousands of jobs created, and millions of healthy food retail square feet added (25). While a great deal of work remains to be accomplished, these nascent efforts have improved the quality of life in urban and rural communities across the country.

The Success of HFFI

State and Local

There has been significant growth in the development of state and local HFFI efforts across the country over the past decade. On the heels of the success of the Pennsylvania campaign and the FFFI, advocacy efforts led to the launch of similar programs in New York, Illinois and the City of New Orleans in 2010. To date, 10 state and city programs and the federal HFFI have launched in order to increase access to healthy food and support economic vitality. Through grant and loan incentives to grocers and other healthy food retailers in underserved communities, these programs have all had substantial impacts on the food access landscapes of the regions they serve.

Understanding and disseminating success and impacts can be helpful in making the case for investment in HFFI programs in new locations. The chart below highlights the key outcomes these programs have achieved in supporting fresh food retail development in underserved low-to-moderate income areas to date. Across state and local programs, more than 250 projects have been financed, adding millions of square feet of retail space (*See Chart Below*). For more information on how these programs have been structured, please visit the chart of [HFFI Programs Across the Country](#).

State	Program	Seed Funding	Projects Financed	Jobs Created/ Retained	Total Project Square Footage	Total Project Investment to Date ⁱ	Number of People Served
CA	California FreshWorks Fund*	\$30 million from The California Endowment	69	1,600	435,000	\$70,000,000+	800,000+
CO	Colorado Fresh Food Financing Fund*	\$7.1 million from the Colorado Health Foundation	16	268	139,548	pending	pending
IL	Illinois Fresh Food Fund	\$10 million from the state of IL	5	514	98,500	pending	83,680
LA (New Orleans)	New Orleans Fresh Food Retailer Initiative*	\$7 million from Disaster Community Development Block Grants	4	209	71,426	\$45,310,962	47,400
Mid South (LA, MS & Memphis, TN)	Mid South Healthy Food Initiative*	\$3 million from the Michael and Susan Dell Foundation	4	197	138,253	\$20,326,000+	47,400
MI	Michigan Good Food Fund*	\$30 million from a variety of sources	13	pending	22,000	\$10,500,000	pending
NJ	NJ Food Access Initiative*	\$4 million from the NJ Economic Development Authority	22	1,712	610,000	\$159,000,000	475,000
NY	New York Healthy Food & Healthy Communities Fund	\$10 million from the state of NY	25	1,450	200,130	\$192,092,204	81,498
OH	Healthy Food for Ohio*	\$2 million from the state of OH	8	166	83,240	\$5,692,400	45,984
PA	Pennsylvania Fresh Food Financing Initiative	\$30 million over 3 years from the state of PA	88 ⁱⁱ	5,023	1,600,000	\$190,000,000	400,000

* Program is still in operation and financing projects— all reported numbers are as of publication.

ⁱ Total investment in communities to date, typically including bank loans, operator/developer contributions, public funding (such as New Markets Tax Credits, and federal, state and local dollars) and private funding (foundations, banks etc.)

ⁱⁱ Projects approved for financing

The Federal HFFI

In 2009, PolicyLink, The Food Trust and Reinvestment Fund initiated a national campaign, with partners and stakeholders from across the country, to create a comprehensive federal response to address the limited and inequitable access to healthy foods in low-income communities in both rural and urban America.

First unveiled at the Fresh Grocer in Philadelphia in 2010, First Lady Michelle Obama kicked off the *Let's Move* campaign to reduce childhood obesity and announced the creation of the federal **Healthy Food Financing Initiative (HFFI)**. The cornerstone of federal efforts to improve food access, the federal HFFI has awarded almost \$200 million to Community Development Financial Institutions (CDFI) and Community Development Corporations (CDC) through the CDFI Fund at the United States Department of Treasury and the Office of Community Services at the Department of Health and Human Services.

Nearly six years later, more than 100 **organizations**, representing a diverse set of stakeholders, have voiced their support for a national solution to the lack of access to healthy food. The campaign has resulted in the inclusion of HFFI in the Agricultural Act of 2014 (the 2014 Farm Bill), where it was authorized for up to \$125 million at USDA. Most recently, USDA acted on the authorized legislation and solicited applications for the program's National Fund Manager— a national CDFI to serve as an intermediary between the agency and local CDFIs. The National Fund Manager has the ability to award funds to CDFIs and finance individual projects in communities not reached by CDFIs, specifically those in rural areas. In January 2017, USDA named Reinvestment Fund as the HFFI National Fund Manager, and in May 2017, Congress appropriated \$1 million to the HFFI program at USDA and the National Fund Manager in its fiscal year 2017 omnibus spending package.

THE FEDERAL HFFI AT-A-GLANCE

- \$195 million awarded to community development organizations in 35 states
- More than an estimated \$1 billion leveraged in private investment and tax credits
- 958 healthy food access projects created or supported between 2011 and 2015

Since fiscal year 2011, the federal HFFI has awarded more than \$195 million to more than 80 community development organizations in over 35 states and tribal communities (26). HFFI's public-private partnership model has leveraged more than an estimated \$1 billion in additional grants, loans and federal tax incentives, and together, these programs have supported 958 healthy food projects across the country to date (26) (27) (28). One-time grants and loans targeting underserved urban and rural communities and small towns have brought jobs, economic development, and healthy food access to lower-income communities across the country.

HFFI projects by awardees of the Community Economic Development program at the U.S. Department of Health and Human Services have created or expanded 752 businesses and created 1,092 new full-time positions for low-income individuals since 2011 (28). These HFFI investments have also leveraged more than \$208.5 million in additional funding from a variety of sources, including public and private investments and USDA programs such as the Farmers' Market Promotion Program and the Rural Enterprise Grants Program— an additional \$4.69 leveraged for every \$1 granted (28).

In 2015, the CDFI Fund at the U.S. Department of Treasury reported 206 HFFI investments totaling \$88.3 million by 21 CDFI grantees since 2011 (27). Retail investments in 119 retail projects totaling more than \$69 million have created 1,564,732 square feet of new retail space for projects ranging from small green grocers to large supermarkets throughout the country (27). Investments in 87 non-retail projects have totaled more than \$19 million and have created 1,718,088 square feet of space for

eligible healthy food activities, including farms, food hubs, food processing facilities and incubator kitchens (27).

Not only has the groundswell of HFFI efforts at the local and state levels have made the case for the federal response to inequitable access to healthy food, but the federal HFFI has in turn supported and seeded emerging statewide programs, such as the Healthy Food for Ohio program and the Michigan Good Food Fund. It has also invested in new stores supported by local healthy food financing efforts, including the New Orleans Fresh Food Retailer Initiative's ReFresh project in New Orleans, LA.^[1]

Evaluating HFFI

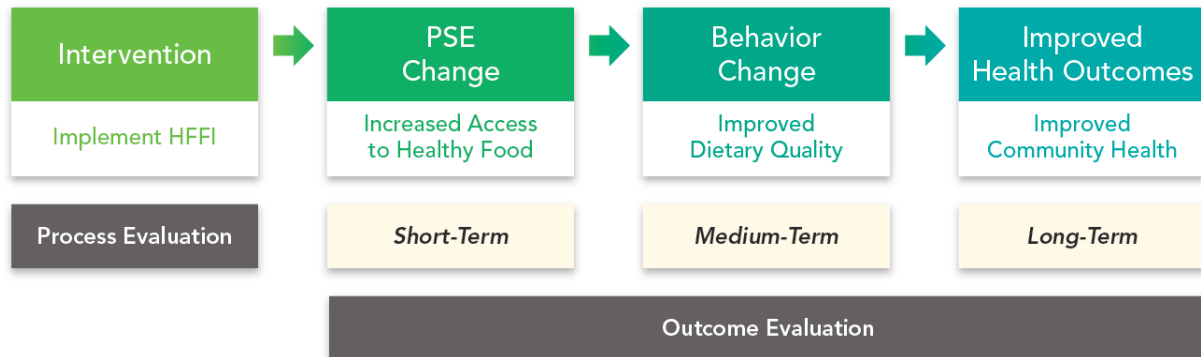
HFFI is rooted in a comprehensive equity framework aimed at improving community health and economic revitalization in low-income, underserved areas. Specifically, HFFI works to create environments where healthy choices are easy and affordable and is a hallmark example of policy, systems and environmental (PSE) change.

Demonstrating the success of previous and on-going HFFI projects and statewide programs is a critical component of advocacy campaigns at the local, state and federal levels. Since the onset of the nation's first healthy food financing program in Pennsylvania, efforts have been undertaken to measure **outcomes**— the effects on the target population— and **impacts**— the effectiveness of achieving program goals— within the context of both community health and local economics. Capturing these outcomes and impacts requires comprehensive evaluation plans that are aligned with the goals of local, state and federal HFFI programs, which are to:

- **Engage the community to fix the market failure** that leaves low-income communities without full service supermarkets
- **Provide equitable access to healthy food**
- **Create jobs** for community residents
- **Leverage private investment** in the community
- **Improve community health** in lower-income areas through perceptions of healthy food access, neighborhood satisfaction, dietary quality and long-term health outcomes

^[1] Learn more about the ReFresh Project [here](#).

It is important to understand HFFI and improved healthy food access as PSE change, which involves an adjusted, longer timeline of intervention activities and effect. It also represents just *one* strategy in the greater efforts to create environments where all children can grow up at a healthy weight. The below graphic illustrates the sequence of evaluation for PSE change.



WHAT IS PSE CHANGE?

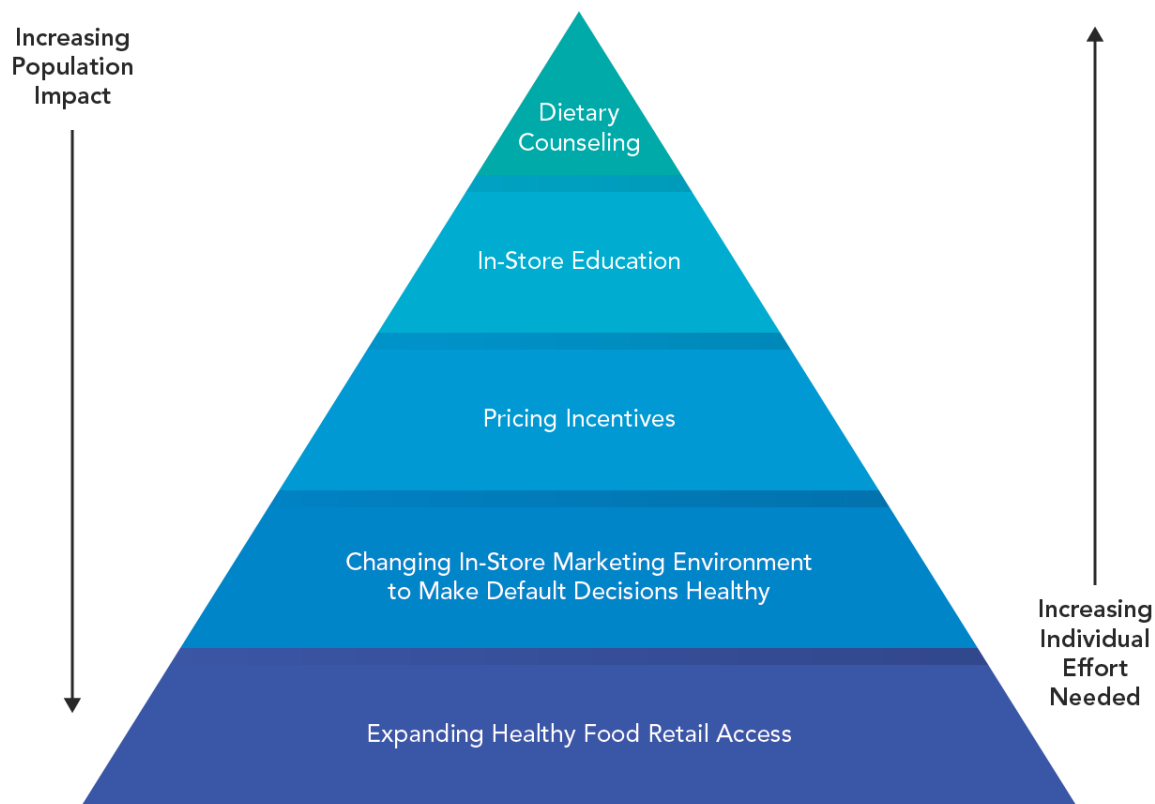
“Policy, systems and environmental change approaches seek to go beyond programming and into the systems that create the structures in which we work, live and play. These approaches often work hand-in-hand where, for example, an environmental change may be furthered by a policy or system change.”

▪ HEALTH TRUST, 2012

While some studies have emerged to challenge the impacts of improved healthy food access on body mass index (BMI), HFFI and PSE interventions are not a “silver bullet.” **The consensus among many leading obesity prevention experts today is that multi-faceted approaches are required to reduce rates of childhood obesity, and while a supermarket alone may not singularly achieve the goal, healthy food retail is an important part of the calculus.** As illustrated in The Food Trust’s *Food Access Impact Pyramid* (below), complementary strategies, including in-store marketing, healthy food incentive programs to increase affordability and nutrition education programs are

needed to bridge the gap between improved accessibility to healthier foods and behavior change (29). A recent report by the McKinsey Global Institute found that a “systemic, sustained portfolio of initiatives, delivered at scale, is needed” to address obesity and the interventions themselves needed to “rely less on conscious choices by individuals and more on changes to the environment (30).”

FOOD ACCESS IMPACT PYRAMID



As the complex relationship between food access and health continues to be better understood, current research continues to demonstrate the positive relationship between community health and access to healthy food (31) (32) (33) (34). Furthermore, HFFI policy and efforts to improve food access are rooted in more than 300 studies published between 1995 and 2013, which found that “living closer to healthy food retail is among the factors associated with better eating habits and decreased risk for obesity and diet-related diseases (35).”

Evaluation Case Study: The New Jersey Food Access Initiative

In 2014, The Food Trust launched a two-year comprehensive evaluation of the New Jersey Food Access Initiative (NJFAI), a statewide HFFI program implemented by Reinvestment Fund and supported by the Robert Wood Johnson Foundation, the New Jersey Economic Development Authority and Living Cities. The program has financed 22 projects with loans and grants totaling \$25.2 million since August 2016.

GOALS OF NJFAI

- Community health and diet quality
- Community food access and community perceptions
- Economic development and local job creation

In order to capture the breadth of health and economic impacts of the NJFAI, The Food Trust created the **NJFAI Logic Model** to inform program evaluation and serve as a model for the evaluation of other HFFI efforts. The logic model captures the goals of HFFI (outlined above) and the program's expected outcomes, which are staged by short, medium and long-term impacts. The evaluation strategy included customer surveys, focus groups and reporting on job creation:

- Customer demographics indicated NJFAI projects are serving the target population and surrounding area: **80% reported incomes less than \$30,000, 85% were people of color and 80% reported having lived in the community for over 20 years;**
- Surveys found that more that **97% of shoppers felt the new store improved their community;**
- **70% agreed that the store encouraged them to buy healthier foods and/or beverages;**
- Of those reporting trying new fruits and vegetables because of the store (37%), **70% reported buying more fruits and vegetables;** and
- **1,712 local jobs were created or retained,** not including 1,118 construction jobs.

Upcoming evaluation of the New Jersey program investments will include an economic impact analysis conducted by a third party evaluation team. Specifically, the analysis will capture the economic impacts of project construction and ongoing operations, as well as impacts on local property values.

Overall, the NJFAI has had positive impact and achieved short- and medium-term outcomes in underserved New Jersey communities:

- Jobs for community members
- Increased access to healthy food in the community
- Stores are a community gathering place and reach long-time residents
- Improvements in perceptions of the community, food access and neighborhood satisfaction
- Increased healthy food purchases — more fruits, vegetables and whole grains

Comprehensive and thoughtfully designed HFFI program evaluation — such as the NJFAI evaluation project — clearly illustrates the positive impacts and outcomes of HFFI on both community health and the local economy. While comprehensive evaluation plans require additional investment and resources, program administrators and partners, including CDFIs, state agencies and food access organizations, can capture and report positive program impacts.

HFFI Impacts: Case Studies

The below section features illustrative case studies created with the goal of enabling champions, allies and stakeholders to communicate the impact and success of diverse healthy food financing efforts.

CASE STUDY: OHIO

In 2014, the Ohio Regional Convergence Partnership and Finance Fund, an Ohio-based CDFI, worked with The Food Trust to conduct a statewide research study to identify communities in Ohio that lack access to healthy food. Study findings translated into a mapping report, *Food for Every Child: The Need for Healthy Food Financing in Ohio*, which revealed that more than 2 million Ohioans, including 500,000 children, live in lower-

income communities underserved by supermarkets. The report launched a series of meetings of the Ohio Healthy Food Financing Task Force beginning in June 2014. The task force was composed of almost 50 leaders from economic development, public health, civic, academic, nonprofit, philanthropic and other sectors, as well as the grocery industry. The group identified key barriers to developing healthy food retail in underserved areas and outlined common-sense policy recommendations for overcoming those barriers, which were released in the *Supporting Grocery Development in Ohio* report. A key recommendation of the task force was the creation of a statewide HFFI. In parallel with the task force process, The Food Trust worked with Finance Fund to build a pipeline of potential projects that would utilize a healthy food financing program should the program be launched. This pipeline development proved critical in both demonstrating the demand for the statewide program, as well as helping the program to launch rapidly and efficiently once it was created.

The American Heart Association in Ohio played a critical role in the advocacy for the statewide program through Voices for Healthy Kids. Voices for Healthy Kids is an initiative of the American Heart Association and Robert Wood Johnson Foundation working to create environments where all children can grow up at a healthy weight.

In June 2015, Governor John Kasich (R) signed the FY 2016-17 state operating budget that included a \$2 million appropriation through the General Revenue Fund to capitalize the statewide **Healthy Food for Ohio (HFFO)** program. The measure received strong support from Ohio State Representative Ryan Smith, Chairman of the Appropriations Committee, who became interested in the issue after one of the communities in his district, Vinton County, lost its only grocery store. The Ohio Department of Jobs and Family Services, which oversees the program, conducted a competitive application process and selected Finance Fund Capital Corporation (FCAP), a statewide Community Development Financial Institution, to implement the program and distribute funds to projects. FCAP leveraged the state's seed funding with \$2 million from the federal HFFI program, as well as more than \$10 million in additional funding from banks, foundations and other sources.

OHIO BY THE NUMBERS

- 40+ applications
- 8 projects funded
- 166 jobs created or retained
- 83,000+ square feet of healthy food retail space created or retained
- 45,000+ people with improved access to healthy food *(as of August 2017)*

The HFFO program launched in March 2016. It supports the development of new and existing grocery stores and other healthy food retail in lower-income, underserved areas throughout the state by providing loans and grants to cover costs associated with land acquisition, predevelopment, construction, equipment, infrastructure and related expenses, as well as credit needs not typically filled by conventional financial institutions. FCAP contracted The Food Trust to serve as the Food Access Organization to help implement the program by conducting outreach, continuing pipeline development and screening applications for program eligibility. As a result of the pipeline development that took place ahead of the launch of the program, the HFFO was able to get off the ground quickly, funding five projects in its first 10 months. An array of types and sizes of projects, from large full-service grocery stores, to small neighborhood stores, to mobile markets and food hubs are being funded in urban and rural areas all over the state.

**PROJECT
EXAMPLE**

Prather's IGA

West Union, OH

Prather's IGA is a 22,000 square-foot family owned and operated independent grocery store in rural West Union, Ohio. Funding from the HFFO program was used by Prather's to replace their failing 30-year-old equipment, expand produce and meat departments with new refrigeration cases and enhance the front entrance and other areas of the store. Ongoing utility, maintenance and repair costs for the old equipment was becoming extremely expensive, and the renovations and more energy-efficient equipment will greatly reduce operating costs and allow the store to continue serving as West Union's only downtown grocery store within walking distance of many low-income and elderly residents. Prather's IGA has employed many West Union residents with living wages and flexible hours, and the store is an active part of the community, supporting numerous local groups and events such as the County Fair and Head Start. With home delivery and carry out services, Prather's IGA fills a unique niche for the neighborhood. The project was referred to HFFO through the nearby OSU Extension Office.

PROJECT EXAMPLE

Simon's Supermarket

Euclid, OH

Simon's Supermarket is a 27,000 square-foot full-service supermarket that opened in a vacant building along a major transportation and commercial corridor in Euclid, OH, a high-density urban area just east of Cleveland. In 2012, a Health Impact Assessment that included surveys and focus groups revealed that residents strongly wanted a grocery store in the neighborhood. Simon Hussain, a grocer who owns two other supermarkets in the Cleveland area, began the process of opening this third store when he came across unanticipated property renovation costs related to storm water management for the parking lot. The HFFO program provided funding for in-store construction and equipment costs, and the City of Euclid helped to fund external renovations to the store and parking lot. The Cuyahoga County Board of Health's Creating Healthy Communities team is supporting the project's ongoing success by helping with community engagement and marketing, and there has been strong resident participation through community listening sessions and tours. About a fourth of area households have incomes below the poverty line and lack access to a private vehicle. The store location is served by a bus stop and is within walking distance of numerous multi-unit housing complexes, including senior housing directly across the street. The new store provides fresh, affordable and nutritious food approximately 60 jobs for local residents.

CASE STUDY: NEW YORK

In many neighborhoods and communities in New York state, residents struggle to access affordable, healthy food. In 2008, The Food Trust published a report, which found that many lower-income communities in New York City experienced inadequate levels of healthy food access and high rates of diabetes, *Special Report: The Need for More Supermarkets in New York*. The Food Trust, the Food Policy Coordinator of New York City, the NYC Council, the Food Bank of New York City and the Food Industry Alliance of

New York State, with funding from the Friedman Foundation, convened the New York Supermarket Commission in 2006 to explore barriers to developing healthy food retail in areas of need and generate public policy recommendations to overcome these barriers.

In 2010, New York launched the New York Healthy Food & Healthy Communities Fund to bring healthy food to underserved communities throughout the state.

Commission members included grocery industry leaders, government leaders, financial sector representatives and children's health advocates. The Commission developed policy recommendations to improve the availability of affordable, nutritious and locally grown food in neighborhoods underserved by supermarkets and published them in the report, *Stimulating Supermarket Development: A New Day for New York*. A key recommendation was to encourage the State of New York to create a business financing program that could help grocery operators overcome the high upfront costs of retail development in underserved communities. In response to this recommendation and the Commission's major findings, in 2010, New York State's then Governor David Paterson launched the **Healthy Food and Healthy Communities Fund** (HFHC Fund) to improve access to healthy, locally grown foods for residents across the state by providing affordable financing to grocery operators and other groups seeking to expand access to healthy food retail.

The Low Income Investment Fund (LIIF), a New York-based CDFI, and The Food Trust were selected by Empire State Development Corporation through a competitive process to create and administer the HFHC Fund. The \$30 million program was capitalized with \$10 million from the Empire State Development Corporation^[2] and \$20 million from Goldman Sachs Bank. In addition, the Fund received operating grants from New York State, the New York State Health Foundation and Goldman Sachs Urban Investment Group. By supporting healthy food retail, the HFHC Fund seeks to improve the health

^[2] Government investment came from the state's FY10 budget with repurposed dollars from an agriculture bond bill.

and economic well-being of all New Yorkers and expand market opportunities for New York State farmers.

NY BY THE NUMBERS

- 25 healthy food retail projects
- \$192,092,204 leveraged in additional funding
- 200,130 square feet of healthy food retail space created, enhanced or preserved
- 1,450 direct permanent and construction jobs created or preserved

During the life of the program from 2010 to 2016, **the \$10 million investment from the State of New York leveraged over \$192 million in additional funding.** The HFHC Fund provided grants and loans to 25 diverse projects in urban and rural communities throughout the state, both in New York City and many upstate cities and rural towns, such as Buffalo, Syracuse, Mount Vernon, Red Creek, Highland Falls, Poughkeepsie, Rochester, Hudson and Broome County. Projects included new and expanded or renovated grocery stores, mobile markets, farmers markets and corner stores. In total, **200,130 square feet of healthy food retail space was created or preserved and 1,450 direct permanent and construction jobs created or preserved.** Local farmers and producers were also supported through the HFHC with ten recipients of financing participating in the New York Department of Agriculture and Markets' Pride of New York program. For more information, read about [the impacts of HFHC](#).

CASE STUDY: CALIFORNIA

In July 2011, following an earlier effort to enact [AB 581](#), the California Healthy Food Financing Initiative passed by Governor Brown, the state launched a new model for financing healthy food access for the more than one million Californians living without ready access to fresh, healthy food (36). With celebration from former First Lady Michelle Obama and leadership and investment from the philanthropic sector, The California Endowment and partners launched the **California FreshWorks Fund (CAFWF)**.

CAFWF, a public-private partnership loan fund, spurs economic development and inspires innovation in healthy food retailing by providing loan and grant financing to grocery stores and other eligible healthy food access projects. In its first iteration, CAFWF raised more than \$273 million, including leveraged funding from the federal HFFI, and was administered by [Capital Impact Partners](#), a CDFI. Currently, the [Northern California Community Loan Fund](#), another California-based CDFI, is serving as the lead administrator of the program, in partnership with a diverse range of investors, advisers and partners. Emerging Markets serves as the program's food access organization, responsible for sourcing loan and grant opportunities.

FRESHWORKS SOURCES OF CAPITAL

- **New Markets Tax Credits:** \$120.5 million in commitments
- **Structured LLC Fund:** \$125 million and \$7.5 million loan loss reserve (closed in 2015, due to underutilization)
- **Other debt capital:** \$16 million
- **Grants:** \$4.4 million

To date, the CAFWF has supported nearly 69 projects serving urban and rural communities across the state, increased access for more than 800,000 Californians and created or retained 1,600 jobs.

To further capture the impact of the program, The California Endowment commissioned a two-year evaluation, which was undertaken by two third party organizations — The Sarah Samuels Center for Public Health Research & Evaluation and Insight at Pacific Community Ventures — and culminated in the release of three reports on the program:

1. The Social and Economic Impacts of California FreshWorks
2. A Case Study Examining the Development and Implementation of FreshWorks
3. The Social and Economic Impacts of FreshWorks: An Examination of Three Northgate González Grocery Store Investments

[View these reports here.](#)

Overall, **topline findings** from the evaluation — specifically of three Northgate Gonzalez Markets — demonstrated the newly financed stores improved access to healthy food in the local community and resulted in increased purchasing of fresh fruits and vegetables. The investments also created more than **400 local jobs, generated an estimated \$42 million of economic impact in their construction, and are set to generate an additional \$33 million annually through normal business operations.**

Northgate Gonzalez Markets

Inglewood, CA

**PROJECT
EXAMPLE**

Northgate Markets, a family-owned grocer with 34 locations in Southern California, responded to Inglewood residents' request for better access to healthy food. Located southwest of Los Angeles, Inglewood is a diverse community, with large African American and Latino populations. Coming out of the Great Recession, the Inglewood community has continued to face economic hardships, with 21 percent of the population living below the poverty level, compared to 14 percent statewide. With funding from the CAFWF, Northgate was able to expand and open 30,000 square feet of new grocery retail, improving food access for 105,000 nearby residents. Northgate also serves as a critical economic anchor for the area, creating 125 new jobs, most of which are held by local residents.

CASE STUDY: COLORADO

In 2010, the Colorado Health Foundation and the Denver Department of Environmental Health grew concerned about poor healthy food access in multiple areas across the city and in rural communities throughout the state. Working with The Food Trust, the Foundation released the report *Healthy Food for All: Encouraging Grocery Development in Colorado*, which found the need for improved grocery store access in several lower-income neighborhoods in Denver, as well as large portions of eastern Colorado.

To develop a response, the Colorado Health Foundation and the Office of Mayor John Hickenlooper convened the Denver Food Access Task Force, which included representatives from the City of Denver, area redevelopment agencies, local philanthropic foundations, grocery store operators and other civic leaders to develop a series of recommendations to address the problem. Modeled after national best practices, the recommendations included the creation of a statewide healthy food financing initiative.

BY THE NUMBERS: CO4F

- 16 healthy food retail projects
- 139,548 retail square feet created, enhanced or preserved
- 268 direct permanent and construction jobs created or preserved

Following the work of the task force, the Colorado Health Foundation seeded the **Colorado Fresh Food Financing Fund (CO4F)** with a \$7.1 million investment in CHFA. Two additional organizations, PUMA (a food access organization) and the Colorado Enterprise Fund, support program application and pipeline development and provide technical assistance to small and innovative fresh food concepts, respectively.

The goal of CO4F is to:

- Improve retail access to fresh and healthy foods in Colorado
- Encourage economic development in low- to moderate-income neighborhoods
- Provide attainable financing to food retail outlets that will promote more and better food access
- Partner with local governments when possible to enhance the benefits and success
- Develop a Colorado model based upon national best practices

As of August 2016, the CO4F has awarded more than \$2.3 million to a variety of projects that serve communities in urban and rural Colorado including full service grocery stores, urban farms, mobile markets and more.

Growhaus

Denver, CO

PROJECT EXAMPLE

Growhaus, an indoor farm in the industrial neighborhood of Elyria-Swansea, was established in 2009 to produce, distribute and sell fresh and healthy food in a community with poor access to healthy food that is geographically separated from other Denver neighborhoods by Interstate 70. The operation has been an asset to the community, where 37% of the families in the neighborhood live at or below the poverty line.

As demand for their products grew, the GrowHaus requested financing from the CO4F to upgrade their facilities. "Because of the CO4F grant, we have been able to extend product freshness and increase our overall selection. Now we offer customers meat and dry goods such as beans, rice, seeds, and flour," said Coby Gould, The GrowHaus's executive director. "This has shown our customers that we're listening to them and doing more to meet their needs."

Grocery stores are important anchor businesses in small towns and rural areas, attracting foot traffic and supporting the vitality of nearby businesses, such as pharmacies and hardware stores and promoting health by offering a year-round source of produce and other healthy foods. In many rural communities, grocery stores can be the only source of fresh food for miles. **The USDA estimates that 2.3 million people live in rural areas that lack access to healthy food, 60% of whom are low-income.** Another 1.6 million rural households in the U.S. do not have access to a car and are transit dependent, despite a severe lack of accessible public transportation systems (13) (37).

Healthy Food Financing Initiatives provide the flexibility and tools to support the health and economic vitality of rural regions and small towns and help overcome the unique challenges of these areas.

An evaluation by Reinvestment Fund on the impact on rural stores financed through the first HFFI in the country, the Pennsylvania Fresh Food Financing Initiative, found the program had a positive impact on the rural stores supported and the communities they serve. The study, *PA Fresh Food Financing Initiative: Case Study of Rural Grocery Store Investments*, highlights how rural and small town grocers benefitted from healthy food financing, how funds were used and the impact on the stores and their communities.

The key findings from the analysis found:

- New and expanded stores funded experienced increased sales employment
- FFFI financing to the rural stores filled critical gap financing to realize their business goals
- Five of the six studied stores increased employment in their communities — the sixth is operated as a co-op

RURAL STORES FINANCED BY THE PA FFFI

- 17 projects including equipment upgrades, acquisition, expansion and new construction
- Almost \$1.4 million granted and \$2.37 million lent
- Total project costs over \$11.7 million
- On average, PA FFFI financed 32% of total rural project costs

Rural operators were also interviewed, and the report features their testimonies to the importance and value of the PA FFFI program to their business:

“Without FFFI the market wouldn’t be here.” — *Ryan Shaut, Bloss Holiday Market*

“As a small business, access to money can be tough. [FFFI financing] was a great help to us.” — *Betsy Whitsel, Cassville Country Store*

Owner Bob Hurley feels the FFFI grant was critical to the success of the funding package, saying the grant “helped us build a track record with the bank because they disbursed the funds.” — *Hurley’s Fresh Market*

Other HFFI programs across the country have had similar positive impacts on healthy food retail development in underserved rural communities across the country. Here are a few examples of rural projects funded through HFFIs in different states:

Stop & Shop

Limon, CO

Shop & Stop, a supermarket that serves rural Limon, Colorado, was slated to close in 2013, which would have meant that the town's 2,000 residents would then need to travel a minimum of 30 miles to buy groceries. Tony and Trey Ford stepped in to purchase the store, but found it in great need of new equipment, most notably replacements for outdated and inefficient refrigerators. With a \$100,000 loan from the CO4F, they upgraded their refrigeration units, saving money on their energy costs while expanding their produce selection and keeping food prices competitive. "CO4F enabled us to update a piece of the Limon store to greatly benefit both the store and our customers. Because we already had to invest significant resources into bringing the previously neglected store into good condition, these updates would not have been possible for many years without the CO4F grant," said Trey Ford. "We are so thankful for the grant [from the CO4F]. The upgrades were needed years ago, so customers really appreciate them."

Bloss Holiday Market

Blossburg, PA

Bloss Holiday Market is located in Blossburg, PA, a small but growing community in Tioga County of 1,500. It is a 7,500 square-foot store that has operated since 1970, and the only other grocery store within 15 miles is a Walmart. Current store owners Ryan and Melanie Shaut purchased the store in 2008, through a combination of a bank loan, a grant from the Pennsylvania Fresh Food Financing Initiative, and a low interest loan from North Tioga CDC.

After purchasing the store, the Shauts focused on the needs of the community while providing a much-needed renovation. They purchased refurbished meat and deli cases that have more product space, better lighting and energy efficient features. In addition, the Shauts re-organized the store and removed cluttered displays in the entrance, creating an open walking space that draws customers to the deli, meat and produce cases. Bloss Holiday Market caters community events and supplies fresh, healthy snacks to nearby Blossburg Elementary. Mr. Shaut feels “the community deserves a good market” and that “without the PA Fresh Food Financing Initiative, the market wouldn’t be here.”

Campbell's Market

McArthur, OH

PROJECT EXAMPLE

The village of McArthur sits in rural Vinton County in Southeast Ohio, with approximately 1,700 residents. In 2013, McArthur's grocery store, the only grocery store in the county, was sold to Dollar General, which does not sell fresh food. As a result, residents had to travel more than 10 miles to another county to get fresh produce and groceries. McArthur also has a large population of seniors and others for whom access to transportation and to grocery stores is particularly limited.

Launched in March of 2016, the Healthy Food for Ohio program was able to attract and support a local grocer, Campbell's Market, to McArthur, restoring the county with fresh food. The Campbell's family has been in the grocery industry for more than 85 years and plans to open a 12,000 square-foot store, adjacent to the local high school, in fall 2017. Plans include hiring 15 full-time and 15 part-time employees from the local community, as well as accepting SNAP and WIC food assistance benefits. County leaders have celebrated the HFFO program for making this project happen in their community.

CASE STUDY: ALTERNATIVE HFFI PROJECTS

One size does not fit every community, so it's important for HFFIs to support a variety of type, size and format of projects to meet community needs. The range of eligible project types takes into consideration the unique needs of a variety of communities — urban, suburban, rural, small town and frontier — and the needs of healthy food retailers. Flexibility in what type of fresh food retail can qualify for healthy food financing funds, as well as how those funds are being used, is a critical asset of healthy food financing programs and allows for the program to meet the needs of communities across the state.

Project types eligible for funding could include:

- New full-service supermarket or grocery store
- Upgrade, expansion or preservation of an existing supermarket or grocery store
- The portion of a mixed-use or multi-tenant project that will be occupied by a grocery store
- Small and alternative food retailers such as farmers markets, mobile markets, co-ops and others
- Local produce distribution enterprises, such as food hubs

Buffalo Grown Mobile Market

Buffalo, NY

PROJECT EXAMPLE

After its vehicle became inoperable, financing from the New York Healthy Food Healthy Communities (HFHC) Fund has allowed Massachusetts Avenue Project's (MAP's) Buffalo Grown Mobile Market to purchase and retrofit a new vehicle so that it can continue to bring healthy, local food to the residents of Buffalo's most underserved communities. The mobile market, operated by 2 employees, delivers organic, locally grown, affordable produce and bulk items like rice and beans to Buffalo's low-income, food insecure neighborhoods. Regularly serving 1,500 people, MAP works with local community partners to identify drop-off sites that serve people most in need, such as health and senior centers. The group grows the majority of the produce it sells on its own urban farm and offers onsite nutrition education for market patrons.

**PROJECT
EXAMPLE**

Hattie's Food Hub

Akron, OH

Hattie's Food Hub is an innovative work training program for people with intellectual and developmental disabilities. As part of the Hattie Larlham organization (which also includes farm sites in underserved areas of Akron), the Food Hub provides a venue for local farmers to sell their food, while filling a local need for fresh food access. The 4,400 square-foot food hub facility includes a commercial kitchen and community education center, which features demonstrations on cooking and preserving local produce. With funding from the Healthy Food for Ohio (HFFO) program, Hattie's Food Hub was able to open a "corner market," to sell produce grown at Hattie's Gardens and other local farms. A mobile farm market will also circulate year-round on routes in distressed areas within a two-mile radius of the food hub, with routes identified with the help of local partners. HFFO funding was applied to start-up equipment and permit costs for the retail market, first-year operating support for the mobile farm market, and development of the retail customer outreach and marketing strategy. The market improves fresh food access, creates new job training opportunities for people with disabilities, and creates a more efficient way to get locally grown produce directly to consumers, supporting the local food system. To date, 15 people with developmental disabilities and three additional people from the immediate community have been enrolled in the job training program and, so far, three people with disabilities have been placed into full-time jobs.

[View complete case study and advocacy leave-behind on the project.](#)

HFFI programs boost economic opportunity for minority-owned businesses by providing them with access to the capital needed to grow their businesses. Food businesses tend to have high start-up costs and, according to the U.S. Department of Commerce Minority Business Development Agency, inadequate access to financial capital continues to be an important constraint limiting the growth of female and minority-owned businesses across all business types. In traditional credit markets, “minority-owned businesses are found to pay higher interest rates on loans. They are also more likely to be denied credit, and are less likely to apply for loans because they fear their applications will be denied.” The following case studies highlight the important role that HFFI can play in meeting the financing needs of entrepreneurs of color across the food system.

Circle Food Store

New Orleans, LA

PROJECT EXAMPLE

When Circle Food Store initially opened its doors in 1938, it was the first African American-owned grocery store in the city of New Orleans. The store became an important part of the fabric of the Tremé neighborhood, employing local teenagers and engaging residents in community affairs for several decades. Circle Food Store thrived in the community from 1938 to 2005, during a time in our nation’s history when many grocery stores and other healthy food retailers were divesting from low-income and urban neighborhoods across the country. Unfortunately, storm damage and flooding caused by Hurricane Katrina in 2005 forced the Circle Food Store to close its doors after the store was covered by more than five feet of water. The closure of the establishment had collateral consequences for residents of the Seventh Ward and Tremé, including the loss of local jobs, a place to purchase healthy food, and a meeting space for community members. In the years after Katrina, many of the residents displaced by the storm have since returned to the neighborhood to rebuild the community, but are struggling to access healthy and affordable food.

With funding from New Orleans' Fresh Food Retailers Initiative along with an Economic Development Fund grant from the city and a loan from the Louisiana Office of Community Development, Circle Food Store owner Dwayne Boudreaux was able to finance the reopening and renovation of Circle Foods and add to the continued redevelopment of the Seventh Ward community following Hurricane Katrina. According to HUD, 28,000 low- to moderate-income residents live within a one-mile radius of the store and will now have improved access to healthy food. The store created 65 full- and part-time jobs for the community and 95 percent of these positions are filled by local residents.

[View complete case study and advocacy leave-behind on the project.](#)

PROJECT HIGHLIGHTS

- 65 full and part-time jobs
- \$9 million total project costs
- 28,600 residents in surrounding area served by store
- 22,000 square feet

With funding from New Orleans' Fresh Food Retailers Initiative along with an Economic Development Fund grant from the city and a loan from the Louisiana Office of Community Development, Circle Food Store owner Dwayne Boudreaux was able to finance the reopening and renovation of Circle Foods and add to the continued redevelopment of the Seventh Ward community following Hurricane Katrina. According to HUD, 28,000 low- to moderate-income residents live within a one-mile radius of the store and will now have improved access to healthy food. The store created 65 full- and part-time jobs for the community and 95 percent of these positions are filled by local residents.

A complete case study and advocacy leave-behind on the project can be found in this [profile on the Healthy Food Access Portal](#).

Latino Economic Development Center

Minneapolis, MN

Immigrant-owned food enterprises are growing across Minnesota thanks to HFFI investments supporting several Latino Economic Development Center (LEDC) projects in Minneapolis. With investments in a Latino-owned grocery, a cooperative grocery, a Latino restaurant, commercial kitchens, a marketing cooperative, a commissary kitchen, and a produce warehouse for small agricultural cooperatives, the LEDC Immigrant Enterprise Healthy Foods Fund is strengthening the local food system, improving health, and building wealth in low-income immigrant communities of color.

The Agua Gorda Cooperative, an LEDC-incubated farming business, saw its sales increase more than threefold thanks to HFFI financing. In 2013, the Agua Gorda Cooperative grew \$40,000 worth of produce but lost half because of limited storage and marketing options. Now with the help of HFFI financing, the co-op has access to a walk-in cooler and two refrigerated trucks, enabling them to secure \$80,000 in sales contracts. The increase in sales volume has enabled Agua Gorda to negotiate the purchase of a 54-acre farm for their expansion plans. The cooler and refrigerated trucks have been crucial to scaling up local immigrant-owned farm businesses and supporting the LEDC marketing cooperative, whose members include three other Latino farm ventures and a Hmong farm co-op involved in warehousing, incubating, storage, aggregation, and distribution. Another HFFI-financed LEDC investment will support El Chinelo Produce, a Latino-owned retail and wholesale grocery. A \$150,000 loan helped El Chinelo Produce expand from a 5,000-square-foot space to a 16,000-square-foot warehouse, expanding their wholesale distribution system, which serves Latino restaurants and small Latino grocery stores. In addition to improving healthy food access in Latino communities by distributing additional fresh produce, El Chinelo Produce will also hire 15 production employees.

[View complete case study and advocacy leave-behind on the project.](#)

PROJECT HIGHLIGHTS

- \$1.5 million HFFI grant funding received to build social enterprise incubation capacity and develop a revolving loan fund
- 200,000 pounds of produce distributed through the LEDC marketing cooperative
- 12 Number of Latino- and Hmong-owned enterprises supported through the LEDC Immigrant Enterprise Healthy Foods Fund

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A complete case study and advocacy leave-behind on the project can be found in [this profile on the Healthy Food Access Portal](#).

Northgate Gonzales Markets

Southern CA

Northgate González Markets spans three generations as a family-operated chain. It runs more than 40 full-service markets serving predominantly Latino communities in the Los Angeles and San Diego areas and employs more than 6,000 employees. In 2012, Northgate became the first grantee of the California FreshWorks Fund, a public-private partnership seeded with funding from a private health-care foundation, The California Endowment, and administered by Capital Impact Partners, a community development financial institution. Northgate received \$20 million from FreshWorks for three supermarket projects, including \$7.6 million toward a new full-service grocery store in the city of Inglewood, southwest of Los Angeles.

Until recently, Inglewood lacked a grocery store with quality products, competitive pricing, and modern infrastructure. Coming out of the Great Recession, the Inglewood community has continued to face economic hardships, with 21 percent of the population living below the poverty level, compared to 14 percent statewide. Northgate Markets responded to Inglewood residents' request for better access to healthy food by exploring opportunities for development. As an initial step, Northgate surveyed Inglewood residents and community leaders with the help of Councilman Ralph Franklin. From this local input, they confirmed that the community was underserved by affordable and high-quality food retail that met the needs and cultural preferences of Inglewood residents. In response, Northgate management approached an existing supermarket in need of substantial capital investment and negotiated a purchase of the business and a new long-term lease.

With support from FreshWorks, Northgate was able to open 30,000 square feet of new grocery retail in Inglewood, including a full line of products specifically catered to the local Latino community. Within a mile and a half of the Northgate store location, the immediate population is nearly two-thirds Hispanic, and 28 percent African American. Improving food access for 105,000 nearby residents by providing quality, affordable, and culturally relevant foods, Northgate's Inglewood site has been well received by community members, who are excited to shop at a high-quality nearby store. In addition to a broad range of healthy offerings, Northgate operates its signature Viva La Salud program on site, providing recipes, educational materials and nutrition workshops with a registered dietitian. They partner with nonprofits and health providers who sponsor events focused on health and wellness education and offer bilingual nutrition information on store shelves to highlight healthy choices for customers and employees. Providing a much-needed source of healthy food and community wellness resources, Northgate has also served as a critical economic anchor for the area. The Inglewood store has created 125 new jobs, most of which are held by local residents.

In addition to these critical contributions to food access and local economic development, Northgate is investing in their employees and the broader communities they serve. The company funds continued education, tuition reimbursement programs, and skill development programs for their employees, and provides competitive pay and benefits, and training in health and wellness topics. Furthermore, Northgate Market gives back to the community, supporting local health fairs and donating over \$100,000 every year for scholarships, school technology and youth sports programs.

[View complete case study and advocacy leave-behind on the project.](#)

PROJECT HIGHLIGHTS

- \$1.5 million in financing from the CAFW Fund
- 105,000 residents have improved healthy food access
- 30,000 square feet of healthy food retail space
- 125 jobs— Northgate Gonzalez Market in Inglewood

With support from FreshWorks, Northgate was able to open 30,000 square feet of new grocery retail in Inglewood, including a full line of products specifically catered to the local Latino community. Within a mile and a half of the Northgate store location, the immediate population is nearly two-thirds Hispanic, and 28 percent African-American. Improving food access for 105,000 nearby residents by providing quality, affordable, and culturally relevant foods, Northgate's Inglewood site has been well received by community members, who are excited to shop at a high-quality nearby store. In addition to a broad range of healthy offerings, Northgate operates its signature Viva La Salud program on site, providing recipes, educational materials and nutrition workshops with a registered dietitian. They partner with nonprofits and health providers who sponsor events focused on health and wellness education and offer bilingual nutrition information on store shelves to highlight healthy choices for customers and employees. Providing a much-needed source of healthy food and community wellness resources, Northgate has also served as a critical economic anchor for the area. The Inglewood store has created 125 new jobs, most of which are held by local residents.

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A complete case study and advocacy leave-behind on the project can be found in this [profile on the Healthy Food Access Portal](#) and the [California FreshWorks Food Access Report](#).

Highland Falls, NY

MyTown Marketplace, a supermarket that serves the Highland Falls community of New York State, opened in 2011 with financing from the New York Healthy Food Healthy Communities (HFHC) Fund, administered by the Low Income Investment Fund (LIIF), a national community development financial institution, and The Food Trust, a national food access organization. In the years before the arrival of MyTown, Highland Falls' only grocery store closed its doors, leaving the community with an 11-mile commute to the closest full-service grocery store. This distance was notably challenging for the population of senior citizens in the community who had limited car access. Highland Falls is a moderate-income community of approximately 5,500 residents in the Mid-Hudson Valley region of the state, roughly 50 miles north of New York City.

Although Highland Falls' Mayor Joseph E. D'Onofrio temporarily alleviated the problem of limited access to healthy foods by having local government sponsor a shuttle-bus service to a nearby supermarket, a long-term solution was needed. Fortunately for the community, Lisa Berrios and Albert Rodriguez, a husband and wife team, stepped up to the challenge of bringing healthy foods back to Highland Falls. The couple applied to the HFHC Fund and was awarded \$300,000 in grant funding and a \$500,000 loan to help renovate the physical layout of a new supermarket in a vacant retail grocery space, left vacant by a departing grocery store a year earlier. After additions and a needed expansion of the store's fresh produce department, MyTown Marketplace, a now 12,000-square-foot retail space, is serving the Highland Falls community. In addition to LIIF and The Food Trust, supporters of the project included Empire State Development, Goldman Sachs Group Inc., New York State Department of Agriculture and Markets, the New York State Health Foundation and Reinvestment Fund. MyTown Marketplace has brought 20 full- and part-time jobs to the community while improving access to healthy food for local families and individuals.

[View complete case study and advocacy leave-behind on the project.](#)

PROJECT HIGHLIGHTS

- \$300,000 grant from the NY HFHC Fund
- 5,300 residents have improved healthy food access
- 12,000 square feet of healthy food retail space
- 20 new full and part-time jobs

Although Highland Falls Mayor Joseph E. D’Onofrio temporarily alleviated the problem of limited access to healthy foods by having local government sponsor a shuttle bus service to a nearby supermarket, a long-term solution was needed. Fortunately for the community, Lisa Berrios and Albert Rodriguez, a husband and wife team, stepped up to the challenge of bringing healthy foods back to Highland Falls. The couple applied to the HFHC Fund and was awarded \$300,000 in grant funding and a \$500,000 loan to help renovate the physical layout of a new supermarket in a vacant retail grocery space, left vacant by a departing grocery store a year earlier. After additions and a needed expansion of the store’s fresh produce department, MyTown Marketplace, a now 12,000-square-foot retail space, is serving the Highland Falls community. In addition to LIIF and The Food Trust, supporters of the project included Empire State Development, Goldman Sachs Group Inc., New York State Department of Agriculture and Markets, the New York State Health Foundation and Reinvestment Fund. MyTown Marketplace has brought 20 full- and part-time jobs to the community while improving access to healthy food for local families and individuals.

A complete case study and advocacy leave-behind on the project can be found in [this profile on the Healthy Food Access Portal](#).

Emerging HFFI Programs

While HFFI programs have already been developed in many states, there are a number of HFFI programs emerging in new areas across the country, in response to the hard work of advocates who want to address poor access to healthy food in their community. **The statewide HFFIs in Louisiana, Alabama, Minnesota, Massachusetts and the Mid-South are all notable programs in their early stages.**

Alabama: With strong bipartisan support, Governor Robert Bentley signed the Alabama Healthy Food Financing Act into law on June 30, 2015. The legislation created the structure for a statewide revolving loan fund program, administered in partnership with the Alabama Department of Economic and Community Affairs, to provide incentives to develop, renovate or expand grocery stores in communities with limited access to fresh, healthy food. Advocates are actively working to secure funding for this new initiative. Read more about the legislative effort [here](#).

Louisiana Healthy Food Financing Initiative: Concurrent with the implementation of the New Orleans FFRI, advocacy efforts are also underway to launch a new statewide healthy food financing program. First authorized in August 2009 through the Healthy Food Retail Act, the Louisiana HFFI will provide grants and loans to supermarkets, farmers markets and food retail providers to improve access to fresh fruits and vegetables in underserved communities across the state. In 2016, the program received capitalization through a \$1 million federal Community Development Block Grant allocation.

Minnesota Good Food Access Fund: In Minnesota, the American Heart Association and Blue Cross Blue Shield built a coalition of local stakeholders to secure an initial public funding of \$250,000 from the Minnesota Department of Agriculture for the Minnesota Good Food Access Fund (GFAF) during the 2016 legislative session. In addition to establishing permanent facilities for the sale of healthy, affordable food in areas of the state where better access to those foods is needed, an integral component of the Fund is

the establishment of a Fund Advisory Committee. The GFAF Advisory Committee will assist the Commissioner of Agriculture in establishing program criteria, project eligibility guidelines, application processes and additional selection criteria, and annual monitoring and accountability mechanisms. The Advisory Committee will also facilitate leveraging of additional public and private investments, and promote the program statewide. While a modest investment, this program is anticipated to improve food access in targeted communities in Minnesota, which will provide local stakeholders with momentum to make future progress.

Massachusetts Food Trust: On August 10, 2016, Governor Charlie Baker signed a comprehensive five-year economic development bill into law, of which \$6.4 million was authorized for the [Massachusetts Food Trust](#). In May 2017, Governor Baker appropriated \$1,000,000 in capital funds to launch the program, and in July 2017, the Governor signed into law the fiscal year 2018 budget appropriating another \$100,000 for the administration of the program at the Massachusetts Office of Business Development. Established in law in 2014, the Massachusetts Food Trust will provide one-time loans and grants and technical assistance to expand and support new healthy food retailers and local food enterprises in low and moderate income communities, including grocery stores, corner stores, farmers markets, community kitchens, food co-ops, greenhouses and food distribution hubs.

South Carolina Healthy Food Financing Initiative: [The South Carolina Food Access Task Force](#), led by South Carolina Community Loan Fund (SCCLF), secured \$250,000 in funding for the South Carolina Healthy Food Financing Initiative from the S.C. General Assembly in the 2016 legislative session. The Task Force began advocating for program funding in 2012 as a strategy to increase access to healthy food in South Carolina's underserved communities. The state investment will expand SCCLF's existing Healthy Food Retailers Loan program, which is supported in part by the federal HFFI.

Mid-South Healthy Food Initiative: Administered by Hope Enterprise Corporation in partnership with The Food Trust, the **Mid South Healthy Food Financing Initiative** is a regional healthy food financing program that offers flexible financing for new store development and renovations, as well as training with retailers to promote healthier choices projects across three states in the Mid-South region. The initiative started in New Orleans but has grown to support grocery projects in urban areas across Mississippi, Louisiana and the greater Memphis area. The program was developed through the support of a \$3 million initial seed from the Michael and Susan Dell Foundation, which was leveraged further by other funding including the national Healthy Food Financing Initiative. For more information about the program, visit the program website [here](#).

Conclusion

HFFI programs are improving the built food environment, community health and economic vitality of underserved rural areas, small towns and urban communities across the country. These programs represent a proven, economically sustainable solution that is bringing fresh food closer to families, providing both job and business ownership opportunities for people of color and promoting equity in the neighborhoods and areas they serve.

Advocates, funders and researchers understand, however, too many Americans struggle bring healthy food into their homes and onto their tables. Sustained advocacy efforts and continued investment in HFFI projects and programs will enable neighborhoods, cities and towns across the country to experience the transformation gained by better access to grocery stores and other fresh food outlets, positive impacts on community health and job creation. At the same time, robust evaluation and the dissemination of project and program impacts across the country will be critical to efforts.

Together, we can ensure that all families have equitable access to healthy and affordable foods, curb the epidemic of diet-related disease disproportionately affecting our nation's most vulnerable citizens and drive economic development in the communities and areas that need it most.

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