Land Use, Regional Planning and Community Development Financing to Stimulate the Development or Renovation of Healthy Food Retail Options in Under-served Areas
OUR MISSION

Reinvestment Fund is a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships.

We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.
About Reinvestment Fund

- Since 1985, Reinvestment Fund has made $2 billion in cumulative investments and loans.

- We are supported by over 880 investors that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.

- Since 2004, we have invested over $300 million in more than 180 healthy food access projects.
What are CDFIs?

Community Development Financial Institutions (CDFIs):

- Non-profit intermediaries
- Mission-driven
- Financial products and services for economically distressed areas and low-income populations
- Market niche underserved by traditional financial institutions

To search for a CDFI in your community, visit:

- CDFI Fund's [Searchable Database](#) &
- OFN's [CDFI Locator](#)
PA Fresh Food Financing Initiative

A public/partnership to increase access to fresh foods in underserved communities across Pennsylvania.
Challenges for Food Retail in Low Income Communities

In 2016, the average net profit for independent grocery retailers = 0.98% of sales

<table>
<thead>
<tr>
<th>Urban Communities</th>
<th>Rural Communities</th>
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<tbody>
<tr>
<td>▪ Start-Up Costs</td>
<td>▪ Low Density</td>
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<td>▪ Employee Training</td>
<td>▪ Volume</td>
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<td>▪ Real Estate Costs</td>
<td>▪ Product Turn Over</td>
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<td>▪ Security Costs</td>
<td>▪ Quality</td>
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<tr>
<td>▪ High Density</td>
<td>▪ Operations</td>
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<td>▪ Operating expenses</td>
<td>▪ Purchasing Power</td>
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<td>▪ Maintenance expenses</td>
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<td>▪ Reduced grocery gross profit*</td>
<td>Supply</td>
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<td>▪ Lower penetration of high margin departments</td>
<td>▪ Less competition among suppliers</td>
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<td>▪ Irregularities in deliveries</td>
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</tbody>
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*Most applicable to conventional grocery stores
Role of CDFIs in HFFI Programs

- Leverage private capital;
- Provide technical assistance to projects; and
- Channel capital to projects through grants and loans:
  - Requires credit underwriting, loan servicing, and portfolio management.
Local and CDFI HFFI Financial Products

**Products**
- *Grants (when available)*
- Loans
- New Markets Tax Credits

**Types of Food Businesses**
- Retail
- Distribution/Hubs
- Food Banks
- Production

**Uses**
- Predevelopment & start-up costs
- Land acquisition
- Leasehold improvements & equipment
- Construction & permanent financing
- Energy efficiency and conservation measures
- Working capital
- Business loans
- *Job training (grant funds)*
- *In-store dieticians (grant funds)*
Replicated on the local, state, and federal level.

HFFI is not one program but many.

- Federal
- State/Local
- CDFI Capital
Improving Access: A National Movement

Federal Healthy Food Financing Initiative (HFFI)

- CDFI Fund, U.S. Treasury
  - Grants to CDFIs
- Health and Human Services
  - Grants to CDCs
- U.S. Department of Agriculture
  - National Fund Manager
The Healthy Food Financing Initiative (HFFI) was authorized by the Agriculture Act of 2014.

The program is administered by USDA Rural Development.

In 2017, Reinvestment Fund was selected as the National Fund Manager through a competitive process to implement HFFI and provide financial and technical assistance to eligible healthy food retail partnerships and projects.
USDA HFFI Inaugural Grants Round (2019)

- Financial and Technical Assistance ($1.8 million in total)
- Competitive grants round
- Retail projects and partnerships
- Focus on rural and native communities, very low income areas, and innovative models
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