

The Healthy Food Financing Initiative (HFFI)

An Innovative Public-Private Partnership

Sparkling Economic Development and Improving Health

According to a USDA 2012 study, more than **29 million Americans** in low-income communities and communities of color lack access to healthy food. In urban communities, residents walk out their front doors and see nothing but fast-food and convenience stores selling high-fat, high-sugar processed foods. Rural residents face long drives to purchase healthy food. These same communities are often faced with struggling local economies and diet related diseases. Fortunately, the federal government's cornerstone effort to address this issue, the Healthy Food Financing Initiative (HFFI) is a viable, effective and economically sustainable solution to the lack of fresh food access in underserved communities. HFFI programs provide one-time grants and loans to projects seeking to improve access to healthy foods by financing grocery stores, farmers' markets, food hubs, co-ops and other food access businesses in urban or rural areas of need.

HFFI HIGHLIGHTS SINCE 2011

- **>\$1 billion**
leveraged through public-private partnerships
- **>3,000 jobs**
created or retained through HFFI projects
- **>\$169 million**
in federal grants distributed
- **>200 projects**
supported through HFFI
- **>70 grantees**
received HFFI funding
- **>30 different states**
have HFFI grantees

Data from FY11-FY14

HFFI Program Summary

Since 2011, over **\$169 million** has been awarded through the federal HFFI, bringing jobs, economic development, and improving access to healthy food for low-income communities across the country. HFFI's public-private partnership model has **leveraged over \$1 billion** in grants, loans, federal tax incentives, and investments from financial, health care, and philanthropic institutions, enabling HFFI to finance over **200 successful projects**. One-time grants and loans targeting both urban and rural communities have been distributed in more than **30 different states** and are being used to create jobs, revitalize communities, and improve access to healthy food.

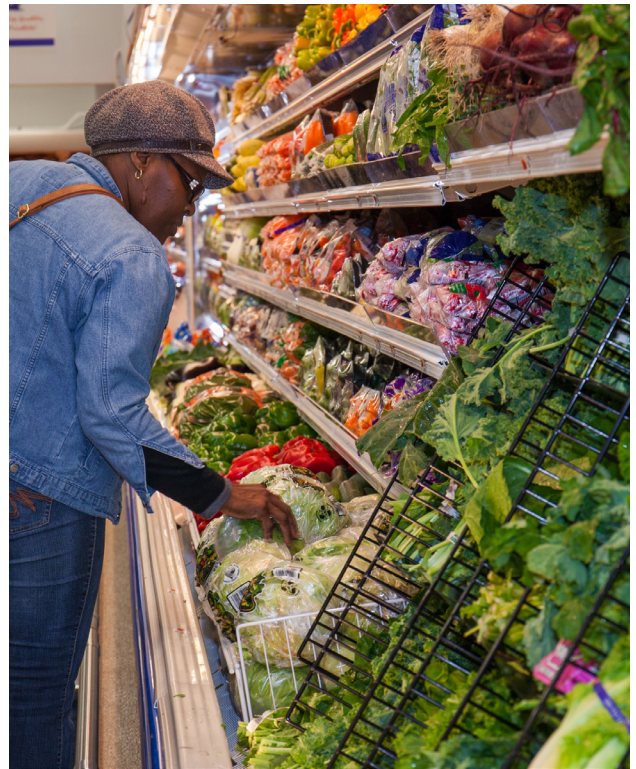
In February 2014, Congress passed the farm bill, formally establishing HFFI at the U.S. Department of Agriculture (USDA) and authorizing up to \$125 million for HFFI. President Obama's 2016 budget proposes \$48 million for HFFI, \$13 million to launch HFFI at the USDA and \$35 million for the HFFI CDFI Fund. HHS will award up to \$9.5 million for HFFI in FY 2015.

HFFI Generates Economic and Health Benefits

Healthy food retail improves the economic health and well-being of communities by:

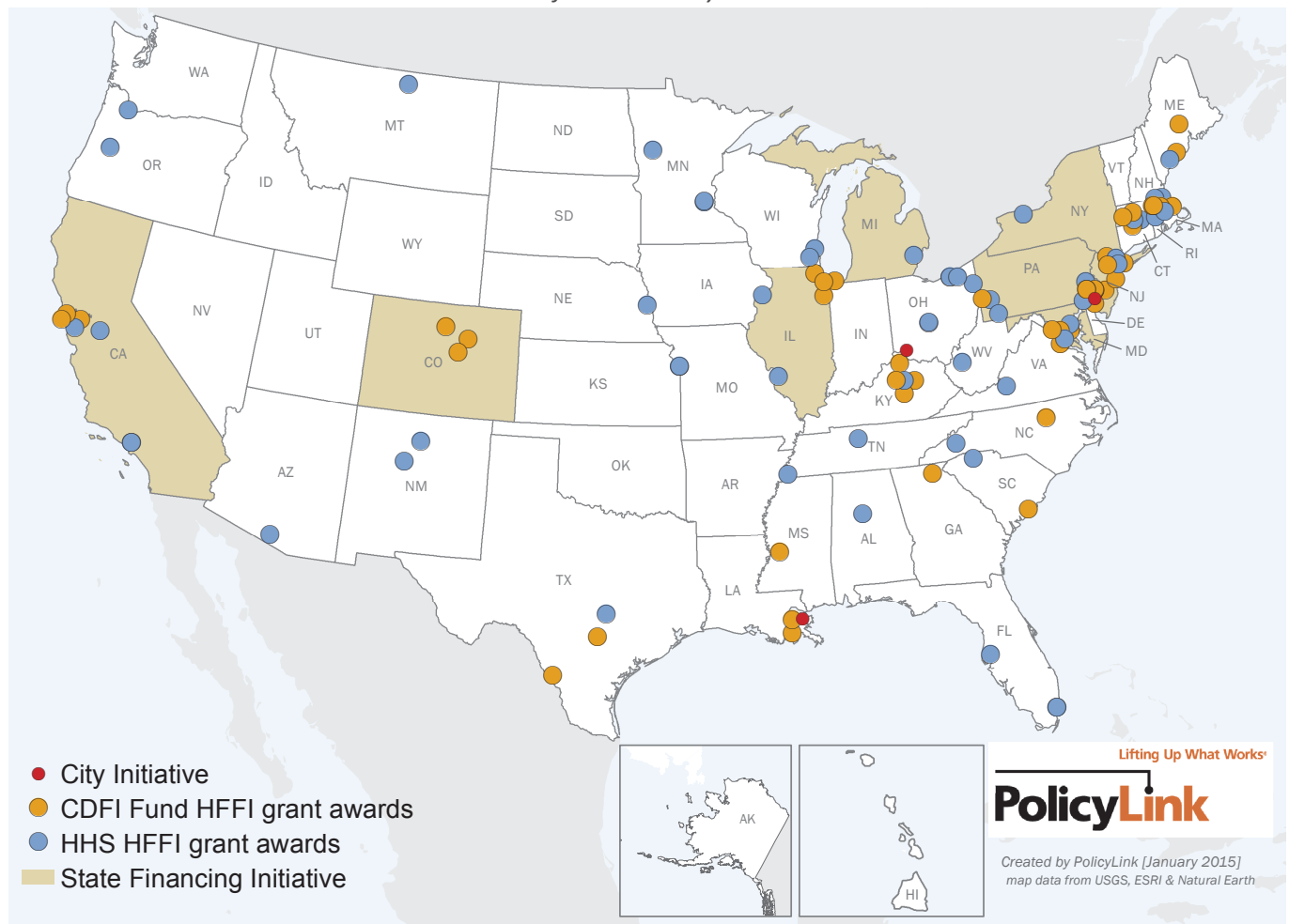
- creating and retaining jobs,
- generating state and municipal tax revenues,
- developing the local workforce, and
- promoting foot traffic to support other stores and the local economy.

Over the past 20 years—with more than 300 studies reviewed—findings have shown that access to fresh and healthy foods improves eating habits and can contribute to positive health outcomes, including decreased risk for obesity and diet-related diseases. HFFI has already increased healthy food access for hundreds of thousands of children and families across the country.



HFFI Grants and State & City Financing Initiatives

Map showing distribution of federal HFFI grants awarded as of January 2015, plus the location of state and city initiatives.



HFFI Leverages Resources for Healthy Food

The Pennsylvania Fresh Food Financing Initiative, the HFFI program model, **created or retained over 5,000 jobs**, helped develop **over 88 supermarkets and other fresh food retail**, and resulted in **projects totaling \$190 million**, all with just \$30 million in state seed money.

In the wake of the federal HFFI and the Pennsylvania programs' successes, other states and metropolitan areas have launched financing programs to bring fresh and healthier foods to their communities, including **California, Colorado, Illinois, Michigan, New Jersey, New York, Maryland, and Virginia**, as well as **Washington D.C., Detroit, Houston, New Orleans, and New York City**. The success of these food financing initiatives is due in large part to a public-private partnership model, often managed by CDFIs, who leverage their HFFI grants with capital from public and private sources, including state and local government, banks, health care, and philanthropic institutions. Federal HFFI resources have been critical in launching these funds, providing seed capital and the credibility of secure resources from a competitive federal program.

Another important federal financing tool that leverages HFFI is the **New Markets Tax Credit (NMTC)** program. In FY2012, the CDFI Fund reported that **70 of the 85 NMTC recipients (or 82.3 percent)** indicated that they **intended to devote some portion of their allocation to healthy food**.

HFFI grants are also being leveraged by CDFIs as seed capital to attract private and philanthropic capital to support state and local healthy food financing initiatives across the country:

- In California, The California Endowment (TCE)—a private, statewide health foundation—developed **California FreshWorks**, a public-private partnership, to increase access to healthy foods in low-income urban and rural communities. California FreshWorks leveraged HFFI resources with \$3 million in grants and loan capital, totaling \$272 million from TCE, Capital Impact Partners (a CDFI), Bank of



America, Charles Schwab, JP Morgan Chase, Citi, Morgan Stanley, Kaiser Permanente, US Bancorp, the W.K. Kellogg Foundation, and others.

- In Colorado, The Colorado Foundation invested \$7.1 million in creating the **Colorado Fresh Food Financing Fund (CO4F)**, which enables food retailers to provide fresh and healthy foods throughout the state. A CO4F partner and CDFI, the Colorado Enterprise Fund (CEF) is dedicating \$1.55 million in HFFI funds to retail and non-retail healthy food projects. CEF is also a member of The Reinvestment Fund's (TRF) ReFresh initiative.
- In Michigan, Capital Impact Partners, along with philanthropic partners, is using a \$3 million HFFI award and philanthropic resources to seed the **Michigan Good Food Fund**, which will expand access to healthy food for Michigan residents in low-income areas.
- In New Orleans, city officials partnered with Hope Enterprise Corporation and The Food Trust to launch the **New Orleans Fresh Food Retailer Initiative**. The program was seeded with \$7 million in CDBG funds and has been leveraged with numerous other sources, including HFFI funding from both HOPE and the Low Income Investment Fund.
- In New Jersey, TRF, a CDFI, in partnership with the New Jersey Economic Development Authority (NJEDA), a state agency, created the **New Jersey Fresh Food Financing Initiative (NJFAI)** in 2010 with \$22 million to address the inequitable access to fresh foods throughout the state. In addition to a NJEDA seed loan, NJFAI investors include the Robert Wood Johnson Foundation and Living Cities, a consortium of national foundations and banks that champion community economic development. TRF contributed \$2 million in HFFI funding to NJFAI.



HFFI is demonstrating that improving access to healthy food revitalizes local economies, creates jobs, and improves health. With continued funding, HFFI holds the promise of bringing access to healthy food for all.

Learn more at: www.healthyfoodaccess.org

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

The Food Trust, founded in 1992, is a nonprofit organization working to ensure that everyone has access to affordable, nutritious food. www.TheFoodTrust.org

The Reinvestment Fund creates wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. www.TRFund.com

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