



The Healthy Food Financing Initiative:

AN INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP SPARKING ECONOMIC DEVELOPMENT AND IMPROVING HEALTH

According to the United States Department of Agriculture (USDA), 40 million Americans live in communities where a healthy diet is out of reach. Lower-income communities have fewer grocery stores and other healthy food retail outlets that provide a wide selection of affordable, nutritious foods. This problem impacts residents in both urban and rural areas—especially those living in communities of color.

Healthier communities create healthier economies, and research shows that the development or presence of a grocery store or other healthy food retail enterprise not only improves access to healthy foods and promotes healthy eating, but also creates jobs and stimulates additional investment.

In 2009, PolicyLink, Reinvestment Fund and The Food Trust launched a national campaign to improve access to healthy food in communities of color and lower-income rural, small town and urban areas across the country. From the outset, we worked in close collaboration with Congress and a diverse group of stakeholders—grocery industry leaders, labor and public health advocates, community development practitioners, state and local government officials, and many more—to raise awareness about inequitable access to healthy foods and fashion a groundbreaking federal response to attract and stimulate private investments in healthy food access.



HEALTHY FOOD FINANCING BY THE NUMBERS*

More than \$1 billion leveraged in private

investments and other programs, from only \$220 million in federal investments since 2011

Nearly 1,000 grocery stores and other healthy food businesses

developed or supported between 2011 and 2015

35 states home to Healthy Food Financing Initiative investments

100 community development organizations received investments since 2011

*data from FY11–FY17

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REINVESTMENT FUND

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About The Healthy Food Financing Initiative

The Healthy Food Financing Initiative (HFFI) provides one-time grants and loans to projects like grocery stores, farmers markets, food hubs, co-ops and other food access businesses in urban or rural areas of need, many of which face barriers in accessing traditional loans and resources.

In 2014, Congress passed the Farm Bill establishing HFFI at USDA and authorizing up to \$125 million for the program. In fiscal year 2017, the USDA and the U.S. Department of Treasury's CDFI Fund made \$1 million and \$22 million in HFFI investments, respectively. In January 2017, USDA announced the selection of Reinvestment Fund to serve as the agency's HFFI National Fund Manager. As the HFFI National Fund Manager, Reinvestment Fund will raise private capital, provide financial and technical assistance to regional, state and local partnerships, and channel capital to fund eligible projects that will improve access to healthy foods in hard-to-reach, underserved communities.

Since 2011, over \$220 million has been distributed through HFFI, bringing jobs, economic development and healthy food access to lower-income communities across the country. HFFI's public-private partnership model has leveraged an estimated \$1 billion in additional resources, loans and federal tax incentives, including investments from financial, healthcare and philanthropic institutions. One-time financing targeting underserved urban and rural communities have been distributed in 35 different states.

Why Healthy Food Financing?

Inequitable access to healthy food retail has negative effects on Americans: Many lower-income urban and rural communities have both poor access to healthy food and disproportionately higher rates of diet-related disease. Towns and neighborhoods without grocery stores or healthy food retail miss out on the economic benefits created by local businesses, such as jobs and local tax revenues. More than 20 years of research shows that access to nutritious food improves eating habits and contributes to positive health outcomes, including decreased risk for obesity and increased fruit and vegetable consumption.



HEALTHY FOOD FINANCING WORKS FOR COMMUNITIES BY:

Bringing fresh, affordable food to underserved urban and rural communities



Creating and retaining jobs, generating tax revenues and capturing local spending



Expanding market opportunities for local farmers, grocers and healthy food entrepreneurs



Serving as an economic anchor to support other retail development



HFFI at Work: LEVERAGING INVESTMENTS FOR STATE AND LOCAL IMPACT

New Jersey

Reinvestment Fund partnered with the New Jersey Economic Development Authority in 2010 to create the New Jersey Food Access Initiative. Reinvestment Fund has dispersed more than \$25.2 million in financing, and leveraged \$159 million to support 22 projects. Three projects received federal HFFI funding. To date, investments have retained or created more than 1,700 permanent jobs and more than 1,100 construction jobs.



Michigan

The Michigan Good Food Fund is a statewide \$30 million public-private partnership loan fund that provides financing and business assistance to healthy food production, processing, distribution and retail projects that benefit underserved communities throughout Michigan. Seeded with a \$3 million federal HFFI award to Capital Impact Partners, the Michigan program has a strong commitment to advancing racial and social equity. To date, it has financed 15 projects and leveraged \$27 million in additional investments.



New Orleans, Louisiana

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 Community Development Block Grant funds, which leveraged numerous other sources, including HFFI funding awarded to HOPE and the Low Income Investment Fund. To date, the initiative has supported four local projects, creating almost 200 jobs.



Ohio

The state of Ohio launched the Healthy Food for Ohio (HFFO) program in 2016. Managed by Finance Fund Capital Corporation and The Food Trust with oversight from The Ohio Department of Jobs and Family Services, HFFO is a public-private partnership created to bring grocery stores, fresh produce markets and other innovative forms of healthy food retail and distribution to communities that need them. The HFFO has leveraged the state's seed funding with \$2 million in HFFI funding and an additional \$8 million in private investments. The program has already supported five projects statewide and created or retained 114 jobs.



Learn more about HFFI at www.healthyfoodaccess.org

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

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

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