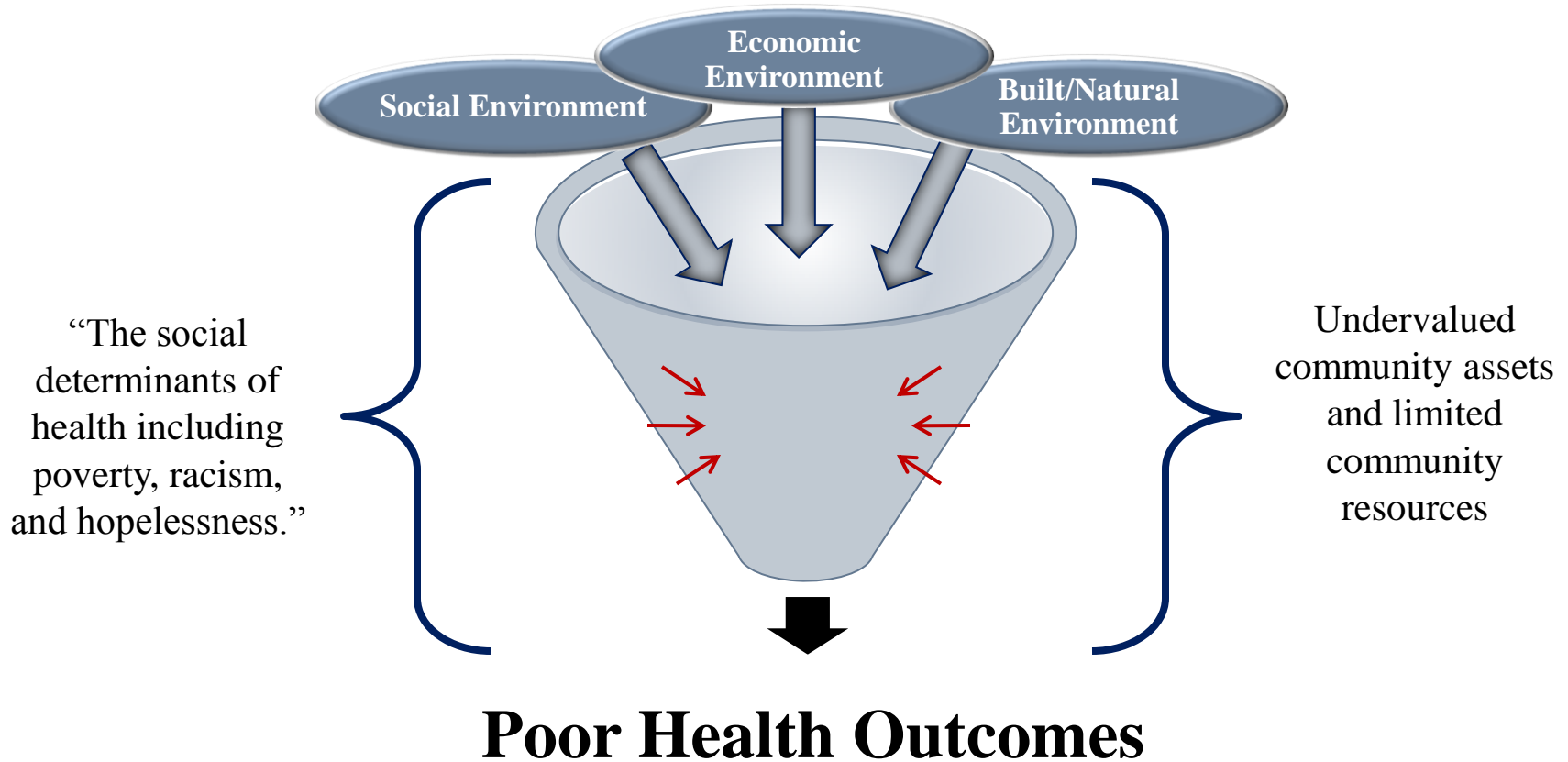


# Where You Live Matters



*How do we make investments to create healthy social, economic, and built/natural environments?*



# New York Healthy Food & Healthy Communities Fund Overview

“Developing State-Level  
Healthy Food Financing Initiatives:  
New Examples from California  
and New York” Webinar

January 27, 2011

# Overview




- **\$30 million fund**
- **Loans and grants**
- **Capital projects**
- **Food markets**
- **Underserved areas**

# Mission



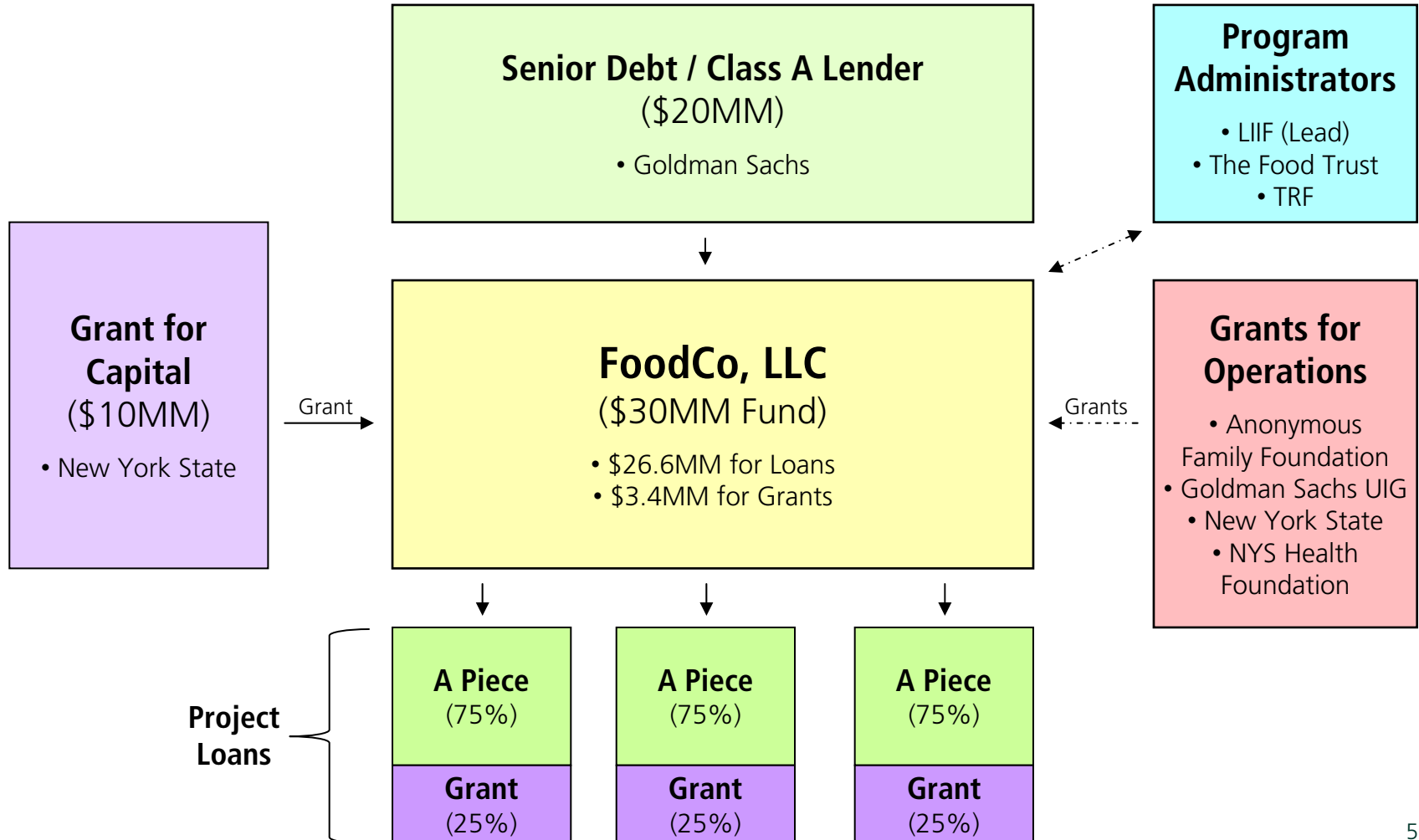
- **Diet-related disease** is increasing nationwide
- **Better access** to a supermarket corresponds with **better health**
- **Low income areas** are generally underserved by supermarkets
- Grocers **bring jobs** to communities

# Timeline



|                       |         |   |
|-----------------------|---------|---|
| <b>2008 / 2009</b>    | — ..... | NY Supermarket Commission convened  |
| <b>July 2009</b>      | — ..... | NY State issued RFP for NY Healthy Food & Healthy Communities (HFHC) Fund: \$10MM capital grant and \$600k administrative grant |
| <b>December 2009</b>  | — ..... | LIF named lead administrator with partners The Food Trust and TRF   |
| <b>July 2010</b>      | — ..... | Executed grant contracts with NY State  |
| <b>August 2010</b>    | — ..... | Closed \$40MM loan commitment from Goldman Sachs (\$20MM available and \$20MM contingent)                                       |
| <b>September 2010</b> | — ..... | Announced \$30MM fund   |
| <b>Oct / Nov 2010</b> | — ..... | Hosted launch event and webinar   |
| <b>December 2010</b>  | — ..... | Awarded first grant   |

# Fund Structure



# Partners



|  |  |
|--|--|
| <b>Low Income Investment Fund (LIIF)</b> | LIIF is the lead administrator of the New York Healthy Food & Healthy Communities Fund and will manage all aspects of program execution, including program design, capital raising, marketing, origination, underwriting, servicing, and asset management. |
| <b>The Reinvestment Fund (TRF)</b>       | TRF, the partnering program administrator, assisted with the design of the program and will provide ongoing best practices and technical assistance. TRF will also take the lead on underwriting loans in the first year of the program.                   |
| <b>The Food Trust</b>                    | As the “food access organization,” The Food Trust will lead marketing and outreach efforts and conduct market analyses and eligibility verification.   |
| <b>Empire State Development (ESD)</b>    | ESD provided the initial \$10 million of State capital to the fund, provided a \$600,000 operating grant, and will oversee program administration.   |
| <b>Goldman Sachs</b>                     | Goldman Sachs committed to lend \$40 million to the fund, with \$20 million available immediately and \$20 million contingent on additional fundraising. Goldman Sachs also made a grant to support the program and a community outreach initiative.       |
| <b>New York State Health Foundation</b>  | NYS Health Foundation awarded a large grant for technical assistance and program administration.   |

# Program Eligibility

## 1) TYPE OF FOOD MARKET

- For profit or nonprofit business; or
- Food cooperative open to public without membership fee; or
- Year-round farmers' market with permanent infrastructure

## 2) LOCATION IN NEW YORK STATE

- LMI census tract or  $\geq 50\%$  of patrons living in low-income tracts; and
- Below average food market density

Map: [www.liifund.org/healthyfood](http://www.liifund.org/healthyfood)

## 3) ELIGIBLE EXPENSES

- Capital and real estate expenses
- Equipment
- Planning and design expenses
- NOT ELIGIBLE: Working capital, inventory, job training

## 4) FOOD RETAIL AREA

- $\geq 66\%$  of retail floor area devoted to general line of food products
  - $\geq 50\%$  of such space devoted to non-prepared foods
  - $\geq 30\%$  of such space devoted to perishable goods

# Program Eligibility (Cont.)

## 5) NUTRITION ASSISTANCE PROGRAMS

- Must accept federal and state benefits (e.g. SNAP)

## 6) ADDITIONAL GOALS (MUST MEET 3)

- Local economic development
- Increased tax revenues
- Sound land use principles
- Community development
- Energy efficiency and green building
- Sustainable agricultural practices
- Pride of New York program

## 7) INCREASED CONSIDERATION

- Wages and benefits comparable to industry and region
- Targeted hiring program
- Location efficiency (close to public transit stop, accessible to pedestrians and bicyclers)

# Projected Loan & Grant Volumes

| Use          | Funds Available | Min. No. Of Projects | Minimum Size                        | Maximum Size                         |
|--------------|-----------------|----------------------|-------------------------------------|--------------------------------------|
| Grants       | \$3.4MM         | 20                   | \$5,000                             | \$500,000                            |
| Loans        | \$26.6MM        | 6                    | \$250,000                           | \$5.0MM                              |
|              |                 | 1                    | \$5.0MM<br>for NMTC<br>transactions | \$15.0MM<br>for NMTC<br>Transactions |
| <b>Total</b> | <b>\$30.0MM</b> | <b>27</b>            |                                     |                                      |

# Progress to Date



- **1 Grant Awarded**  
Conklin Reliable Market
- **31 Applications Received;**  
6 are full financing packages
- **Eligibility Confirmed for 23 Projects**
- **4 Projects Declined** for eligibility or financial considerations
- **\$9.6 Million in Grant Requests**
- **\$18 Million in Loan Requests**

# Contact



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# **Developing State-Level Healthy Food Financing Initiatives:**

New Examples from California and New York Webinar

January 27, 2011

**Marion Standish**, Director, Healthy California

**Tina N. Castro**, Director of Mission Related Investment

**Charles Fields**, Regional Program Manager, Healthy Communities

# Building Healthy Communities

Building Healthy Communities Is a 10-year, \$1 billion program of The California Endowment. 14 communities across the state are taking action to make where they live healthier. They're doing this by improving employment opportunities, education, housing, neighborhood safety, unhealthy environmental conditions, access to healthy foods and more. The goal: to create places where children are healthy, safe and ready to learn. Ultimately, we're aiming at nothing less than a revolution in the way all of us think about and support health for all Californians.

## Place Matters

### Our Communities Are Leading the Way

#### Health in all Systems

#### The Communities

|  |  |                       |            |   |
|--|--|-----------------------|------------|---|
| Boyle Heights                          | City Heights                               | East Oakland          | Richmond   | South Los Angeles                       |
| Central Santa Ana                      | Del Norte County and Adjacent Tribal Lands | East Salinas (Alisal) | Sacramento | Southwest Merced/<br>East Merced County |
| Central/Southeast/<br>Southwest Fresno | Eastern Coachella Valley                   | Long Beach            | South Kern |   |

# The CA Healthy Food Financing Initiative

The CA Healthy Food Financing Initiative is a public-private partnership loan fund intended to finance grocery stores and other forms of fresh food retail and distribution in underserved communities throughout CA. It is modeled after the PA Fresh Food Financing Initiative and it has been developed to align with the National Healthy Food Financing Initiative.

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**Target Fund Size:** \$200 million (\$94M Committed, \$3.5M In Process of Approval)

**Uses of Capital:** Loans & Grants to Grocery Stores & Other Fresh Food Retailers & Distributors

**Capitalization:** Debt & Grants

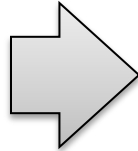
**Program Eligibility:** In process

**Expected Launch:** March 2011

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# Goals

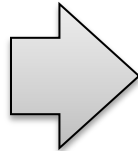
**Access**



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Increase access to healthy food as a means to improve health outcomes.

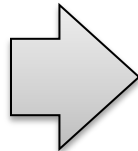
**Economic  
Development**



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Spur economic development that supports healthy communities

**Innovation**

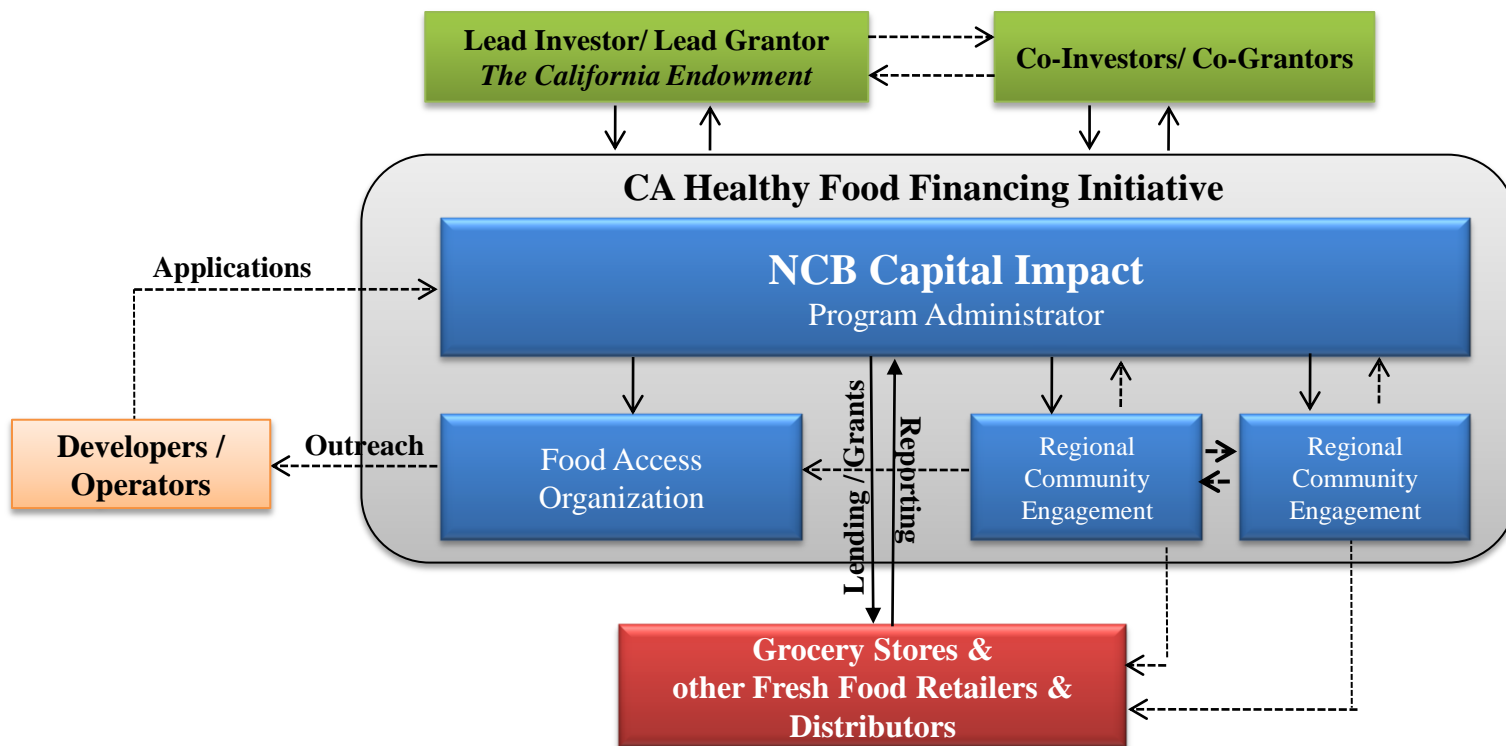


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Encourage innovation in healthy food retailing and distribution

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# Initiative Structure



# Milestones

- 
- December 2008** Launch Building Healthy Communities and Mission Investing
- April 2009** Food Desert to Food Oasis Symposium
- January 2010** Formation of the CA Healthy Food Financing Initiative Task Force and collaboration to create the CA Healthy Food Financing Initiative.
- August 2010** TCE issued an invitation only RFP for a CDFI to serve as the Program Administrator for the CA Healthy Food Financing Initiative.
- October 2010** NCB Capital Impact selected as the Program Administrator. TCE grant commitment closed (\$3M).
- February 2011** TCE loan commitment closed (\$30M). Program guidelines finalized.
- March 2011** Formal launch of the CA Healthy Food Financing Initiative.
-

# Partners

## Industry

- Unified Grocers
- CA Grocers Association

## Nonprofit

- PolicyLink
- Community Health Councils
- Emerging Markets
- Social Compact

## Government

- State of California
- Community Redevelopment Agency of Los Angeles

# Progress to Date

- **Food Access Organization Identified**
- **\$94 M committed, \$3.5 M additional pending approval**
- **18 Projects In Pipeline**
- **Program Guidelines Near Completion**
- **Coordinated Tracking, Reporting & Monitoring System Near Completion**
- **New Partners Identified**

# Challenges

- **Organizational Buy-In**
- **Aligning Programmatic and Investment Goals**
- **Program Administrator Selection**
- **Raising Capital and Grant Funds**
- **Formalizing Partnerships**

# Philanthropic Opportunities

- **Increase investment and visibility in access to healthy food to address multiple community challenges and stimulate innovation in the field.**
- **Promote impact investing that leverages opportunities and interest.**
- **Support research, analysis and advocacy at the local, state and national levels to build the field and encourage public sector support.**
- **Convene local/regional/state level stakeholders to develop multi-sectoral solutions to food access.**
- **Engage private sector partners in food access issues.**
- **Provide grant and/or debt to HFFIs**

# Contact

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