



Introduction to the Healthy Food Finance Initiative

What is the Healthy Food Finance Initiative (HFFI)?

- Supports projects that increase access to healthy, affordable food.
- Part of the First Lady's *Let's Move!*
- Expands the availability of nutritious food
 - Develop and equip grocery stores, small retailers, corner stores, and farmers markets that sell healthy food in communities that currently lack these options.
 - These communities are often referred to as “food deserts.”



What is a “Food Desert”?

- More than 23 million people in America live in food deserts – urban neighborhoods and rural towns without ready access to fresh and healthy food.
- Healthy food options are hard to find in these communities or are unaffordable.
- Instead of supermarkets and grocery stores, these communities may have no food access or are served only by fast food restaurants and convenience stores that offer few healthy food options.



Where are “Food Deserts”?

- The lack of access to healthy food contributes to a poor diet and can lead to higher levels of obesity and other diet-related diseases.
- The 2008 Farm Bill Definition: “Areas in the U.S. with limited access to affordable and nutritious food, particularly areas composed of predominantly lower-income neighborhoods and communities.”
 - Includes rural, urban and tribal communities.



Do you live in a Food Desert?

www.ers.usda.gov/FoodAtlas/

Home Go to the Atlas About the Atlas Documentation Help Download the Data ERS Website

Your  **Food Environment Atlas**

Get a spatial overview of a community's ability to access healthy food and its success in doing so.

Assemble county-level statistics on:

- ✓ Food choices
- ✓ Health and well-being
- ✓ Community characteristics

[Enter Atlas](#)

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How Do We Solve It?

- Well-targeted financing, technical assistance, and community partnerships can improve access to healthy foods, create new markets for farmers and quality jobs for residents, attract private investment, and support broader economic development efforts to revitalize distressed rural and urban communities.
- Tax Credits, Grants/Low-Cost Loans, Technical Assistance



Expertise and Resources:

- Three Department partnership:
 - Department of Health and Human Services
 - Department of Agriculture
 - Department of the Treasury
- This approach is adaptable, far-reaching, focused on business viability, matched with private investment, and impacts will provide models for success.



Expertise and Resources:

- Total investments of up to \$400 million
- Increased access to healthy food will:
 - Improve public health
 - Create jobs
 - Revitalize distressed communities
 - Open new markets for farmers to sell their products.
- Connecting producers and consumers will build stronger connections between cities and rural parts of the country and eliminate food deserts.





**DEPARTMENT OF HEALTH
AND HUMAN SERVICES (HHS)**



Community Economic Development Program (CED)

- Competitive grants will support projects financing grocery stores, farmers markets, and other sources of fresh nutritious food.
 - Projects will also create job and business development opportunities in low-income communities.



Community Economic Development Program (CED)

Eligible Applicant:

Community Development Corporations (CDC).

- Primary purpose: planning, developing or managing low-income housing or community development activities.
- Have a membership inclusive of community resident, or business or civic leaders.

Funding: Up to \$800,000 per project

Project Length: 3-5 years fully funded



Community Economic Development Program (CED)

Allowable Grant uses:

- Startup
- Expansion of businesses, physical, or commercial activities
- Loans
- Equity investments
- Capital: Purchase of equipment or real property
- Operating expenses



Community Economic Development Program (CED)

Application Timeline:

- *Funding Announcement*: anticipated launch April/May of 2011.
- *Applications due*: June/July of 2011.
- *Awards*: September 30, 2011

Additional information:

<http://www.acf.hhs.gov/programs/ocs/ced/index.html>



USDA PROGRAMS



Farmers Market Promotion Program (FMPP)

- Non-construction grants that:
 - Improve and expand domestic farmers markets, roadside stands, CSAs, agri-tourism and other direct-to-consumer activities
 - Implement Electronic Benefit Transfer (EBT) technology at farmers markets and roadside stands to expand access to fresh, local food via the Supplemental Nutrition Assistance Program (SNAP)
 - Educate farmers and growers on strategic planning, business management, rules and regulations
 - Fund increased marketing, outreach, education, and advertising projects for existing farmers markets
- FMPP has distributed over \$14.6 million since 2006.
- In FY 2011 and FY 2012, FMPP is expected to have \$10 million in granting authority, up from \$5 million in FY 2010



FMPP Eligible Entities

- Agricultural Cooperatives
- Economic Development Cooperatives
- Local Governments
- Non-profit Corporations
- Producer networks
- Producer Associations
- Public Benefit Corporations
- Regional Farmers Market Authorities
- Tribal Governments



Business and Industry Loan program

- Business and Cooperative ventures for locally-grown agricultural products
- Business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities.
- Business conversion, enlargement, repair, modernization, or development.
- Purchase and development of land, easements, rights-of-way, buildings, or facilities.
- Purchase of equipment, leasehold improvements, machinery, supplies, or inventory.



Rural Business Enterprise Grant Program

- Eligible applicants: Rural public entities (towns, communities, State agencies, and authorities), Indian tribes and rural private non-profit corporations.
- Supports revolving loan funds and development of physical infrastructure and facilities (including food processing, marketing and distribution business ventures for locally-grown agricultural products).



Rural Business Opportunity Grant Program

- Eligible applicants: Rural public bodies, rural non-profit corporations, rural Indian tribes, and cooperatives.
- Training and technical assistance for business development (to include support for food processing, marketing and distribution business development of locally-grown agricultural products).



Community Facilities Loan and Grant Program

- Eligible applicants: Municipalities, counties, and special-purpose districts, as well as to non-profit corporations and tribal governments.
- Supports facilities such as food banks, nutrition centers, farmers markets, etc.)



Value-Added Producer Grant program

- Eligible applicants: Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.
- For planning activities and for working capital for marketing value-added agricultural products.



Rural Energy for America Program / Renewable Energy Systems / Energy Efficiency Improvement Program

- Eligible applicants: Farmers, ranchers, and rural businesses.
- To purchase and install renewable energy systems and make energy efficiency improvements with renewable energy efficiency.



Other Rural Development Programs

- **Small, Socially-Disadvantaged Producer Grant Program:** Cooperatives and associations of cooperatives to fund technical assistance to small, socially disadvantaged agricultural producers in rural areas.
- **Rural Cooperative Development Grant Program:** Non-profit corporations and institutions of higher education for the establishment and operation of Centers that have the expertise or who can contract out for the expertise to assist individuals or entities in the startup, expansion or operational improvement of rural businesses, especially cooperative or mutually-owned businesses.
- **Rural Community Development Initiative Program:** Non-profit organizations, low-income communities, or federally recognized tribes. Technical assistance and training funds to qualified intermediary organizations to develop their capacity to undertake housing, community facilities, and community and economic development projects in rural areas.



Other Rural Development Programs

- **Rural Economic Development Loan Program:** Local utilities which, in turn, pass through to local businesses (ultimate recipients) for projects that create and retain employment in rural areas (including business ventures for producers of locally-grown agricultural products). Capitalization of revolving loan funds, technical assistance in conjunction with projects funded under a zero interest REDLoan (to include financing of food processing, marketing and distribution business ventures and business incubators)
- **Intermediary Relending Program:** Public bodies, non-profit corporations, Native American tribes, and cooperatives to finance business facilities and community development projects.



Other Rural Development Programs

- **Community Connect Grant Program:** State and local governments, corporations and Indian tribes. Supports local economic development, including the ability to promote locally-grown agricultural products:
 - Construct, acquire or lease broadband transmission services
 - Improve, expand or lease community centers that provide free access to broadband for at least two years before, during and after normal work hours and on Saturdays and Sundays
 - Purchase computer equipment.



TREASURY PROGRAMS



CDFI Fund Overview

Mission

- ❖ Increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States

Programs and Initiatives:

- ❖ The CDFI Fund achieves its mission by directly investing in and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other organizations that focus on providing financial products and services to underserved populations in rural and urban communities throughout the United States.



CDFI Fund HFFI Programs

- CDFI Program – Financial Assistance
- New Markets Tax Credit Program



CDFI Program Overview

- Provides financial assistance awards, on a competitive basis, to CDFIs to help them build their capacity to provide loans, investments or basic financial services in their Target Markets

There are over 900 Treasury-certified CDFIs throughout the country

Certified CDFI types:

- ⇒ Loan Funds
- ⇒ Credit Unions
- ⇒ FDIC-Insured Community Banks
- ⇒ Bank Holding Companies
- ⇒ Community Development Venture Capital Funds



CDFI Program – HFFI-FA

- ⇒ Requested \$25 million in FY 2011 budget
- ⇒ Awards only available to certifiable and certified CDFIs
- ⇒ Maximum HFFI-FA awards anticipated to be \$5 million



Applying for HFFI-FA – Applicants MUST/SHOULD:

- ⇒ Complete the FY 2011 FA application and submit all required attachments
- ⇒ Check (✓) the “HFFI-FA” box on Part 1. Question 5 “Requested Award Type & Amount”
- ⇒ Complete and submit a HFFI-FA questionnaire
 - CDFI Fund will send questionnaire to ONLY applicants that have checked the HFFI-FA box in Part 1
 - Questionnaire will be sent in early December, 2010

Note: *HFFI-FA applicants will be eligible for a HFFI-FA award or a combination of a FA award and a HFFI-FA award*



CDFI Program – HFFI-FA

- ⇒ FA Applicants are required to have a 1:1 non-federal match equal to the requested award amount
- ⇒ HFFI-FA Applicants are required to have eligible matching funds of 25% of the requested HFFI-FA award amount
- ⇒ Foundations are often a good source of matching funds for CDFIs seeking awards under the FA Program.

Applicants are encouraged to submit matching funds documentation unless Congress waives the requirement in the FY 2011 appropriations



Overview of NMTC Program

- Provides a credit against Federal income taxes for investors that make Qualified Equity Investments (QEIs) into Community Development Entities (CDEs).
- CDEs in turn use the proceeds of these investments to make Qualified Low-Income Community Investments (QLICIs).
- QLICIs include, among other things, investments in businesses and real estate projects in low-income communities.



What is a CDE?

- A domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments or financial counseling in “Low-Income Communities” (LICs).
- CDEs are required to demonstrate that they:
 - Have a **primary mission** of serving, or providing investment capital for, LICs or Low-Income Persons
 - Are **accountable** to residents of the LICs that they serve



NMTC Program Activities to Date

- CDEs apply competitively to the CDFI Fund, in annual application rounds, for the authority to offer tax credits to their investors.
- To date, the CDFI Fund has administered 7 application rounds, and made 495 awards to CDEs totaling \$26 billion in investment authority.
- Investors have placed close to \$19 billion worth of investments to CDEs, supporting a wide variety of community and economic development activities in distressed communities throughout the country.
- NMTC projects often rely on several sources of subsidy, and foundations have been active partners in providing grants and PRIs – either directly to CDEs or at the project level – in support of NMTC projects.



NMTC – HFFI Program

- ⇒ The NMTC Program is not currently authorized. The Administration has requested \$5 billion in allocation authority for 2010 and \$5 billion in allocation authority for 2011.
- ⇒ The Administration requested that \$250 million in tax credit allocation authority in 2011 be set aside for CDEs to use to finance HFFI activities.
- ⇒ The 2011 NMTC allocation round is anticipated to open in the Spring of 2011, with award announcements (including HFFI awards) made in the Fall of 2011.



For more information on HFFI:

[HTTP://WWW.USDA.GOV/HFFI](http://www.usda.gov/hffi)