Food Retail Intervention Policies:
An Analysis of CDFI Fresh Food Programs

Prepared for:
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May 2015

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Abstract

This paper is a follow-up to the 2012 efforts of John Fife that identified Community Development Financial Institution-led food retail intervention policies as the most effective in bringing supermarkets to underserved urban areas. Specifically cited in the conclusion was the success of the Pennsylvania Fresh Food Financing Initiative. To further this research, this paper will utilize a similar structured inquiry to evaluate CDFI-led policies that were implemented during or since the FFFI program. Through five case studies (Pennsylvania (updated), California, Colorado, New Orleans, and New York) this paper examines the creation and results of several different retail intervention policies. Each case study provides the conditions predating the need to improve food access and the policy instruments used to address the issues. The paper assesses the policies based on eight features: strategy components, aeris rating, funding stream, viability, duration, scope, cost-effectiveness, and replicability. The analysis compares the cases to determine the most successful and replicable policy used to address the food access issues plaguing urban areas commonly referred to as food deserts. The paper makes several conclusions regarding CDFI-led retail intervention policies. Successful retail intervention policies require strong and stable CDFI’s administering policy funds to sustain operations. The geographic scope of the policy, in terms of statewide versus citywide, does not alter the potential of a policy so much as population density. The overall fund size and thus size of funding packages available to individual projects must be complementary to available funds on the market, which varies by area. Finally, policies are most effective with sufficient seed funding that carries few regulations or compliance requirements.
Food Retail Intervention Policies:
An Analysis of CDFI Fresh Food Programs

Part One: Background ............................................................................................................................... 5
Food Deserts ............................................................................................................................................. 6
Food Systems and the Retail Component ................................................................................................. 8
Retail Intervention Policies ..................................................................................................................... 10
Rationale for Policy Intervention ............................................................................................................ 12
Community Development Financial Institutions .................................................................................... 14

Part Two: Methodology ............................................................................................................................ 16

Part Three: Recent Food Initiatives and Policies Overview ................................................................. 17

Part Four: Policies and Initiatives ........................................................................................................... 18
Pennsylvania Fresh Food Financing Initiative ........................................................................................ 19
California FreshWorks Fund ................................................................................................................... 24
Colorado Fresh Food Financing Fund .................................................................................................... 28
New Orleans Fresh Food Retailer Initiative ........................................................................................... 32
New York Healthy Food & Healthy Communities Fund ........................................................................ 36

Part Five: Analysis .................................................................................................................................... 40
Case Study Comparison .......................................................................................................................... 40
Strategy Components .......................................................................................................................... 42
Aeris Ratings ....................................................................................................................................... 43
Funding Stream ................................................................................................................................... 44
Viability ............................................................................................................................................... 45
Duration .............................................................................................................................................. 46
Scope ................................................................................................................................................... 47
Cost Effectiveness ................................................................................................................................. 48
Replicability ........................................................................................................................................ 49
Overall .................................................................................................................................................... 50

Part Six: Conclusions ................................................................................................................................ 51
Sources ....................................................................................................................................................... 53

Appendixes ................................................................................................................................................ 61
Additional Initiatives ............................................................................................................................... 61
Cincinnati Fresh Food Financing Fund ............................................................................................. 61
Illinois Fresh Food Fund .................................................................................................................... 61
Michigan Good Food Fund ............................................................................................................... 62
New Jersey Food Access Initiative .................................................................................................. 62
Virginia Fresh Food Loan Fund ......................................................................................................... 63
Figures .................................................................................................................................................... 64
Food Retail Intervention Policies:
An Analysis of CDFI Fresh Food Programs

Real estate is often described in three simple terms: location, location, location. As limited as that description is, it is accurate at the most fundamental level. Residential location determines potential jobs, health, education, and entertainment options, as well as access to public transportation, basic services, and supplies. Food access is one of the most critical factors to consider when addressing location, so much that it has long been a target of government and philanthropic programs linked to social equity. Programs like WIC (Women, Infants and Children nutrition) and SNAP (Supplemental Nutrition Assistance Program, formerly Food Stamps) exist to serve at-risk and underserved populations by increasing access to nutritious food. However, these programs can offer little to no benefit if the target population isn’t located in the proximity of retailers who can provide the nutritional products, like full service grocery stores. In many cases, convenience and corner stores accept these program benefits in exchange for processed and nutrient ultra-dense foods that may be linked with health risks.

In 2012, John Fife conducted a Master’s Thesis titled “Bringing Supermarkets into Food Deserts: An Analysis of Retail Intervention Policies.”\(^1\) Focusing on food access policies in five major areas (Liberty City, Pennsylvania, Chicago, New Orleans, and Kansas City) and using a variety of funding sources and methods to achieve target saturation. Ultimately, he concluded that the strongest program with the highest chance of being replicated in other areas was the Pennsylvania Fresh Food Financing Initiative (FFFI). The present paper is written, in part, as an update for 2015, but also as a continuation of research. This paper focuses entirely on

Community Development Financial Institution (CDFI) run policy programs backed by public funds, like the Pennsylvania FFFI, and follows a similar framework set by the original paper. The goal of this continuation is to find the publicly-funded CDFI policy iteration that is the most successful and also has the highest chance of replication in other markets.

Part One provides a foundation of terminology and origin for food deserts, food retail systems, retail intervention policies, policy rationale, and CDFI’s. Part Two offers a roadmap to the method of inquiry and data tracking for the purposes of this analysis. Part Three describes policies enacted at the national level to give context to regional and municipal policies. Part Four presents the raw data for each case of retail intervention policy in California, Colorado, New Orleans, New York, and Pennsylvania. Part Five offers a full comparative analysis of the matrix of pieces created by the research. Finally, Part Six concludes this paper with thoughts for overall effectiveness and future replicability.

**Part One: Background**

This section provides an introduction to key concepts and terminology used in this paper. The term *food desert* often has many definitions due to the varied nature in which it is determined and recorded and as such several definitions of the term are presented along with generally accepted methods of capturing the information. This section also introduces *food systems* and the underlying *retail* component that accompanies it. Because issues such as food deserts exist in the general market conditions of the retail component, this section also gives an introduction of *retail intervention policies* and their *rationale*, which is based in social equity theory. This section concludes on the definition *Community Development Financial Institutions* and the role they play in public private partnerships.
Food Deserts

The term food desert was first used by a resident of public sector housing in west Scotland in the early 1990s. In 1995 it appeared in a UK Conservative Government Nutrition Task Force document from the Low Income Project Team. In 2002 the term had become widespread, and saw its first appearance in scholarly work when authors Cummins and Macintyre defined it as “poor urban areas where residents cannot buy affordable, healthy food” and cautioned against policy making based on factoids unsupported by data driven evidence.3

The 2008 U.S. Farm Bill included in its focus the issues of barriers and access and offered the first U.S. legal definition of food deserts as “an area in the United States with limited access to affordable and nutritious food, particularly such an area composed of predominantly lower-income neighborhoods and communities.”5 In detail, that definition equates to census tracts that are both low-income (a poverty rate of 20 percent or greater, or a median family income at or below 80 percent of the area median family income) and low-access (at least 500 persons and/or at least 33% of the census tract's population live more than one mile from a supermarket or large grocery store, 10 miles in non-metropolitan areas). The 2008 Farm Bill commissioned a report to Congress (delivered in June 2009) which found that 23.5 million people live in low-income areas that are more than 1 mile away from a supermarket or large grocery store.6

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3 Ibid.
4 For the intent of this paper, the definition of healthy food is “whole foods such as fruits, vegetables, whole grains, fat free or low-fat dairy and lean meats that are perishable (fresh, refrigerated, or frozen) or canned as well as nutrient-dense foods and beverages encouraged by the 2010 Dietary Guidelines for Americans”
6 Ver Ploeg, Michelle, Vince Breneman, Tracey Farrigan, Karen Hamrick, David Hopkins, Phillip Kaufman, Biing-Hwan Lin, Mark Nord, Travis A. Smith, Ryan Williams, Kelly Kinnison, Carol Olander, Anita Singh, and Elizabeth Tuckerman. Access to Affordable and Nutritious Food—Measuring and Understanding Food Deserts and Their
Though the United States Department of Agriculture (USDA), the Treasury, and the Department of Health and Human Services all define food deserts in this way, it is not a consensus among all interested parties. Even more conflicting is the discussion of how food deserts are created, who is affected by them, and what should be done to mitigate the issue. Seemingly the only thing that stands through the variation of opinions is that food deserts do in fact exist. As Fife sourced in his original paper, there are many opinions in the field including theories that food deserts express racial disparities of food access and quality or that some food deserts are actually “food swamps” where snack foods are more prevalent than healthy foods.

As early as 2000 and still today, geographic information system (GIS) mapping is leading the way in helping to accurately determine food deserts and extrapolate potential intervention points. The USDA offers an online GIS mapping tool to depict food deserts in the United States where the layers can be broken down into the individual factors required for an area to be classified as a food desert. The Reinvestment Fund (TRF), a CDFI involved in several retail intervention problems in the northeast U.S., offers the most comprehensive toolkit available

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9 Ibid.
12 You can locate every food desert in the United States via the USDA’s online tool found at http://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx
through their Policy Map service.\textsuperscript{13} Tools like these are crucial in determining policy interjection plans as complex layers of data can vary widely among geographic locations.

The term \textit{food desert} has held many definitions since its inception. Regardless of how the term is defined, food deserts are shaping policy efforts targeted at health and nutrition across the country. Since the original 2010 report, numbers have been updated to reflect the 2010 census showing that 29.7 million Americans, or roughly 9.7\% of the population, are affected by food deserts.\textsuperscript{14} Even with larger numbers, the average American may still be unaware or even unaffected by the complex retail intervention policies being enacted in some regional and metropolitan areas. This paper will shed light on these policies and their effects on food retail.

\textbf{Food Systems and the Retail Component}

Systems, and systems thinking, are key concepts to understanding complex and often large structures embedded in the world. Donella Meadows defines a system as an “interconnected set of elements that is coherently organized in a way that achieves something.”\textsuperscript{15} Thus, a system is defined by three key pieces: elements, interconnections, and a function or purpose. Applying this concept to \textit{food systems}, we can begin to extract key elements such as raw stock, production, processing, transportation, distribution, retail, preparation, waste management, and end users. Key connections established include shelf life of products, market demand, availability, and the distance between elements. The purpose of a food system is simple: to make food accessible to the end users – people.

\textsuperscript{13} TRF’s Policy Map service can be found online at http://www.policymap.com/


Urban food systems provide many challenges due to density and a wide range of economic status within a limited area. The retail element of the food system is considered a major leverage point to urban and inner-city residents, and is often where the largest disconnect between people and food access is located. Supermarkets are where most people go for food\textsuperscript{16} and “offer a large variety of healthy foods with typically the lowest prices in comparison with other, smaller food stores.”\textsuperscript{17} This should not be mistaken for a claim that supermarkets represent the only source of food available to urban inhabitants, merely that they offer more options at lower prices.

In areas where supermarkets are lacking, smaller footprint grocers, like corner markets, may exist to serve retail needs. However, Tamis points out that, due to suburbanization, grocers have adopted an expanded footprint of operating that has fundamentally shifted the connection between grocers, producers, and distributors.\textsuperscript{18} This makes pricing margins and product availability much different for smaller stores that can fit within urban footprints, ultimately giving way for large footprint box retailers. When priced out of the market for fresh food and groceries, smaller stores tend to shift focus to higher margin items like processed snack foods, fountain drinks, and alcohol.\textsuperscript{19} In essence, food access is dependent on retail, and retail is dependent on supermarkets. Within the context of this paper, \textit{food retail} will refer to supermarkets, grocery stores, farmers markets, food co-ops, and essentially any retail outfit that


offers whole foods, basic ingredients, staples, and an assortment of food related products. This
does not include restaurants, fast-food, or establishments focusing primarily on prepared meals.

**Retail Intervention Policies**

Having clearly defined food deserts, systems, retail and the resulting problem, it is
appropriate to look towards solutions. As mentioned in the previous section, retail presents a
leverage point in the food system. The retail element is represented as a structure: a place where
people can go to find the stocks of food items they need. Structures are often prohibitively
expensive to create or modify, but can have profound impacts on systems by controlling the
numbers, or flow of goods.\(^2^0\) Because more than one structure is needed to solve the issue
surrounding food deserts, taking action at an even higher leverage point\(^2^1\) is advantageous to
have a wider effect.

A *retail intervention policy* is a leverage point that effects the rules of the system, in this
case incentives (funding) and accompanying restraints (requirements). The term retail
intervention policy is used by Lee and Lim in their argument for spatial mapping analysis and
found nowhere else in literature regarding food access or supermarkets,\(^2^2\) but serves an
illustrative purpose for the focus of this paper. In 2012, Fife sifted through various policy styles
and agents and found CDFI-led programs such as the Pennsylvania Fresh Food Financing


\(^{21}\) Leverage points in order of least effective to most effective: Numbers, Size of Stocks Relative to Flow, Structure of
Material Stocks, Length of Delays, Strength of Negative Feedback Loops, Strength of Positive Feedback Loops,
Structure of Information Flow, Rules of the System, Power to Change System Structure, Goals of a System, Mindset
or Paradigm of a System, the Power to Transcend Paradigms

\(^{22}\) Lee, Gyoungju, and Hyunwoo Lim. "A Spatial Statistical Approach to Identifying Areas with Poor Access to
Initiative to be the most effective. In this effort, only CDFI-led policies will be analyzed with the goal of finding the most effective and replicable solution.

One of the most important aspects of a retail intervention policy is the typology of retail on which it is focused. In almost all cases, emphasis is given to supermarkets rather than smaller stores. While there are arguments for smaller footprint stores and an alteration of food distribution in general, this paper focuses on policies targeted at supermarkets. The following figure from Fife’s paper helps to give a visual representation of retail intervention policies.

Figure 1 – Retail Intervention Policies

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24 Author’s Note: While smaller stores, co-op’s, and markets play an important role in alleviating food deserts, this paper will limit its focus to supermarkets similar to the policies being scrutinized.
Food retail generally focuses on one of three areas: Supermarkets, Smaller Grocery Stores, or Alternatives. Digging further, each policy has three distinct strategy components: Initiators, Policy Level, and Policy Tools. Initiators are the entities that design and enact policies, and can include, but are not limited to, state agencies, city planners, community organizations, or private developers. Policy Level refers to the tier of government that is affected, such as the local, state, or federal level. Finally, Policy Tools are the instruments available for use in enacting policies. Policy Tools are often grants or loans, but can also take the form of tax incentives, and zoning regulations. Each policy is unique in design and will often have varying combinations of these components.

Rationale for Policy Intervention

It is important to understand that the policies referred to in this paper are representative of a form of intervention associated with public services and funds. All of the following examples involve a government agency playing a role in initiating, facilitating, or managing retail intervention policies targeted at bringing food retail into low income and low access areas. Governing intervention stems directly from the inequalities resulting from the primacy of the capitalist market, or “the acceptance of the market as the principal arbiter in the allocation of goods, services, wealth, and income in society.”

Unfortunately, public policy has not always been in the best interest of society as a whole. In the 20th century alone, policy, coupled with the free market, created trends and forces that drained the population and economic base of urban cores, gave rise to white flight,

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One of the best examples of this is Roosevelt’s New Deal programs (enacted 1933-38), which were put in place as a response to the Great Depression. “The overarching goal of New Deal housing policy… was to promote home ownership among working-and middle-class-Americans… at the expense of poor and minority city dwellers and the neighborhood they inhabited.”\footnote{Ferguson, Ronald F., and William T. Dickens. "Foundations of Federal Policy: The New Deal and Beyond." In Urban Problems and Community Development, 89-91. Washington, D.C.: Brookings Institution Press, 1999.} The collapse of inner city supermarkets meant residents had to travel further and pay more for groceries and fresh food.

Food security and access are not issues that are unique to the United States. Around the globe, issues regarding food access indicate greater moral significance in terms of food security. Food security, defined as “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”\footnote{“Food Security.” World Health Organization. Accessed May 5, 2015. http://www.who.int/trade/glossary/story028/en/.} by the World Food Summit in 1996, is based upon three pillars:

1. **Food Availability**: Sufficient quantities of food available on a consistent basis.
2. **Food Access**: Having sufficient resources to obtain appropriate foods for a nutritious diet.
3. **Food Use**: Appropriate use based on knowledge of basic nutrition and care, as well as adequate water and sanitation.\footnote{Ibid.}

Racial inequalities, urban decline, food deserts, and limited food access have all developed over the past century with significant ramifications. In turn, policy and legal efforts, like the Civil Rights Act and the Community Reinvestment Act, have been enacted to address these conditions. Market changes, like a renewed interest in urban living, are also starting to have
an effect. In order to continue positive changes, these efforts will have to be sustained by public agencies, private investors, communities, and individuals, and conducted in an ethical fashion. However, until social equality is regarded as a human right, policy makers and administrators must continue to intervene within the existing market and financial systems to ensure food access within underserved communities.

Community Development Financial Institutions

The Riegle Community Development and Regulatory Improvement Act of 1994 established and defined both Community Development Financial Institutions (CDFIs) and the Community Development Financial Institution Fund. The Fund was established to grant both Financial and Technical Assistance awards to support the capacity of certified CDFs in serving people and communities that lack access to affordable financial products and services. CDFIs use those funds to pursue a variety of goals, including:

- To promote economic development, to develop businesses, to create jobs, and to develop commercial real estate;
- To develop affordable housing and to promote homeownership; and
- To provide community development financial services, such as basic banking services, financial literacy programs, and alternatives to predatory lending.

To become an eligible Community Development Financial Institution, organizations must submit an application to the Fund for review and show proof of meeting the following requirements:

- Be a legal entity at the time of certification application;
- Have a primary mission of promoting community development;
- Be a financing entity;
- Primarily serve one or more target markets;

• Provide development services in conjunction with its financing activities;
• Maintain accountability to its defined target market; and
• Be a non-government entity and not be under control of any government entity (Tribal governments excluded).\footnote{32}

The four CDFI sectors – banks, credit unions, loan funds, and venture capital funds – are characterized by different business models and legal structures.\footnote{33} Because of the nature of intervention policies, all of the CDFIs involved in this paper are from the banking sector, making them subject to regulation by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and state banking agencies.

Since CDFI’s are generally private, for-profit entities that deal with public funding, it is important to maintain performance ratings and criteria. Aeris Ratings are a comprehensive, third-party assessment of CDFI funds that help investors evaluate opportunities which meet their impact goals and risk parameters.\footnote{34} There are two main components to an Aeris Rating. The first being the Impact Performance Rating which measures on a scale of B to AAA how well a CDFI does what it claims. CDFIs earning a ‘+’ distinction demonstrate leadership in policy change. The second component is the Financial Strength and Performance rating, which measures overall creditworthiness on a scale of 1-5.\footnote{35} In the analysis section of this report, this metric will be helpful in determining the direct link between overall effectiveness of a retail intervention policy and the strength of the Community Development Financial Institution that is in charge of it.

\footnote{35} For an in-depth description of Aeris Ratings and criteria, please visit http://104.236.149.107/distribution/.
Part Two: Methodology

In order to better understand retail intervention policies, this paper will use a set structure for inquiry. This format will allow the creation of a matrix to facilitate cross referencing and analysis. Part Three will give a synopsis of national policy initiatives and their effects on regional and municipal intervention policies. Part Four introduces the following case studies: California FreshWorks Fund, Colorado Fresh Food Financing Fund, New Orleans Fresh Food Retailer Initiative, New York Healthy Food & Healthy Communities Fund, and the Pennsylvania Fresh Food Financing Initiative. Each case will assess the following features as laid out in Fife’s original paper with the addition of the Aeris CDFI Rating:

- Strategy Components (Initiators, Policy Level, and Tools)
- Aeris Rating
- Funding Stream
- Viability (How easy/complicated is it to implement?)
- Duration (How long does it take to enact, when did/does it start/end?)
- Scope (What kind of impact, how many stores?)
- Cost-Effectiveness
- Repeatability (Can it be replicated elsewhere?)

Information regarding each case comes from a variety of sources, including program websites, reports, press releases, periodicals, and conversations, and can vary significantly from case to case. As such, some relationships are hard to establish and some details are not transparent or accessible in an easy or timely manner. Regardless of the lack of continuity, the purpose of this report is to create a clear matrix with relatable metrics. Any discrepancies or alterations from the source information are for clarity purposes and will be clearly noted.
Part Five will offer a meta-analysis of the presented cases based on the aforementioned criteria. Special emphasis will be placed on the role of the CDFI and public funding in the way it relates to private investment. The end result is to extrapolate the overall success and replicability of each policy.

Part Three: Recent Food Initiatives and Policies Overview

Food security became a nationally recognized issue in 2009 after the U.S. Department of Agriculture provided their report to Congress. Light was shed on 23.5 million Americans with the thorough identification and description of food deserts and the problem they present.36 Directly following the report, in February 2010, the Obama Administration announced the Healthy Food Financing Initiative (HFFI) and the intent to have over $400 million of the Presidential Budget available to organizations with marketable strategies about food access in underserved communities.37

The initiative will make available a mix of federal tax credits, below-market rate loans, loan guarantees, and grants to attract private sector capital that will more than double the total investment. Federal funds will support projects ranging from the construction or expansion of a grocery store to smaller-scale interventions such as placing refrigerated units stocked with fresh produce in convenience stores.38

The initial funding for the HFFI was to be made available from the Treasury Department, Department of Agriculture, and the Department of Health and Human Services. Unfortunately,

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38 Ibid.
Congress did not appropriate any funds for the HFFI in the 2011 budget. However, agencies were able to utilize existing resources and authority to grant $10 million towards projects in 2011.\(^\text{39}\) As of December 2014, the HFFI has distributed over $140 million in grants to 60 grantees in 30 states, leveraging over $1 billion in the form of public-private partnerships. Over 100 completed projects have been financed through the HFFI, creating more than 2,500 jobs.\(^\text{40}\)

The Healthy Food Financing Initiative is a federal level program that provides funding through multiple departments to projects of many types. Through Fife’s report, we know that CDFI-run programs have thus far been the most successful in leveraging funds and impacting markets.\(^\text{41}\) It is important to remember that other initiatives and strategies may be situationally appropriate, and a wealth of information on such programs is easily accessible. Since metrics point towards the effectiveness of CDFI-led interventions, the following case studies in Part Four will focus solely on strategies following this typology with the intent of finding the most effective and replicable program.

**Part Four: Policies and Initiatives**

Part Four introduces and explores seven case studies of CDFI-led retail intervention policies. Each case will present several key factors including the driving forces behind creation, the associated Community Development Financial Institution and its Aeris Rating, the policy features, and its overall effectiveness and replicability. Since the Pennsylvania Fresh Food


Financing Initiative was found to be the most effective policy in previous studies it will be updated and presented first in this research. Since many of the following policies are based in part on the Pennsylvania initiative, it will provide an excellent benchmark. In sequential order, the cases to be scrutinized are:

1. Pennsylvania Fresh Food Financing Initiative
2. California FreshWorks Fund
3. Colorado Fresh Food Financing Fund
4. New Orleans Fresh Food Retailer Initiative
5. New York Healthy Food & Healthy Communities Fund

**Pennsylvania Fresh Food Financing Initiative**

Many cities and states are beginning to take the initiative with efforts regarding food deserts, but Pennsylvania and their Fresh Food Financing Initiative have been ahead of the curve thus far. In fact, several other retail intervention policies, including the Obama Administrations 2010 Healthy Food Financing Initiative, have been based on the Pennsylvania precedent.42

The Fresh Food Financing Initiative’s primary architect, The Food Trust, is a Philadelphia-based nonprofit that works to improve access to healthy food. The Food Trust originated in 1992 as a response to Philadelphia’s ranking among the top four most obese cities in the country, as well as having “the second-lowest number of supermarkets per capita.”43 After years of small scale education classes and data gathering, The Food Trust had a comprehensive

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set of GIS maps that it used to publish a report in 2001 titled *The Need for Supermarkets*. The report caught the attention of local and state officials and, as a result, The Food Trust was asked to convene a task force that would recommend ways for policies to increase the “penetration of food deserts in Philadelphia.”\(^4^4\) In 2004, the task force published *Stimulating Supermarket Development: A New Day for Philadelphia* citing ten recommendations:

1. The City should adopt food retailing as a priority for comprehensive neighborhood development.
2. The City should employ innovative, data-driven market assessment techniques to highlight unmet market demand in urban neighborhoods.
3. The City should identify targeted areas for supermarket development and promote them to real estate developers and the supermarket industry.
4. The City should give priority to assembling land for supermarket development.
5. The City should reduce regulatory barriers to supermarket investment.
6. The City should market the available public incentives to maximize impact on supermarket site location decisions.
7. City and State economic development programs should be made available to the supermarket industry.
8. The Commonwealth of Pennsylvania should develop a business financing program to support local supermarket development projects.
9. The appropriate city, regional, and state transportation agencies should develop safe, cheap, and convenient transportation services for shoppers who do not have access to a full service supermarket.
10. The City should convene an advisory group of leaders from the supermarket industry and the civic sector to guide the implementation of these recommendations.\(^4^5\)

In their assessment the task force cited financing as the single greatest obstacle to grocery retailing in underserved communities. Statewide funding was recommended after supermarket operators displayed that higher costs associated with urban locations made it difficult for conventional institutions to provide loan options.\(^4^6\) At this point, the question left unanswered was how to initiate and manage such a fund.

\(^{4^4}\) Ibid.
\(^{4^6}\) Ibid.
Piqued by the problem at hand, state representatives Frank Oliver and Dwight Evans of Philadelphia and Jake Wheatley from Pittsburgh called for the Pennsylvania House Committee on Health and Human Services to hold hearings on the findings. From these hearings, the state formed the Fresh Food Financing Initiative and installed $10 million in seed money, which it matched again in 2005 and 2006 for a total of $30 million in seed money.\footnote{Giang, Tracey, Allison Karpyn, Hannah Burton Laurison, Amy Hillier, and R. Duane Perry. "Closing the Grocery Gap in Underserved Communities."Journal of Public Health Management and Practice 14, no. 3 (2008): 272-79. Accessed May 5, 2015. doi:10.1097/01.PHH.0000316486.57512 bf.} After establishing the program, the state contracted The Reinvestment Fund (TRF), a local AAA+ Aeris Rated CDFI, to manage the fund. Within five years, TRF had attracted $165 million in private investment to create a flexible loan and grant program that offered a variety of financing tools.\footnote{“Building Healthy Communities Through Equitable Food Access.” Accessed April 04, 2015. http://www.frbsf.org/community-development/files/bell_standish.pdf.}

The Fresh Food Financing Initiative provided funding to qualified supermarkets and retailers primarily through three tools: Direct Grants, a Core Loan Fund, and federal New Markets Tax Credits (NMTC). When it was still operating, the FFFI and all federal compliances linked to NMTC were handled by TRF, but grant applications were managed by The Food Trust. The FFFI assisted projects covering start-up and predevelopment costs with grants of up to $250,000 and loans ranging from $25,000 to $7.5 million.\footnote{The Food Trust, Policy Link, and The Reinvestment Fund. "The Healthy Food Financing Initiative (HFFI): An Innovative Public-Private Partnership Sparking Economic Development and Improving Health." The Healthy Food Financing Initiative (HFFI), December 5, 2014. Accessed May 5, 2015.} One of the ways the FFFI removed financial barriers was by allowing existing stores as well as stores located outside target areas to receive funding. If existing or prospect stores could show 50% of their customer base represented an underserved market, they were eligible for funding.\footnote{Ibid.}
During its 6 years of operations, the FFFI received over 200 funding applications. From those applications, there are currently 88 operating projects spanning 34 counties. These projects have created over 5,000 jobs and “improved access to healthy food for more than half a million people.” The economic analysis consulting firm Econsult conducted an impact study that showed communities with supermarket developments showed increased real estate values, increased economic activity, and greater access to better quality food at lower prices.\footnote{Ibid.} Chriouze and colleagues also considered the social return on investment (SROI) of the FFFI investment based on three additional categories: reduction in chronic disease expenditures, increase in productivity, and jobs created times the average annual salary. Based on their calculations, the FFFI’s SROI is estimated at $2.23 billion.\footnote{Chriouza, Nicole A., Jennifer Atlas, and Parth Rajyaguru. "He Food Trust and the Fresh Food Financing Initiative: Eliminating “Food Deserts”." Philadelphia Social Innovations Journal, May 2010. Accessed April 4, 2015. http://philasocialinnovations.org/journal/articles/featured-social-innovations/177-the-food-trust-and-the-fresh-food-financing-initiative-eliminating-food-deserts?showall=1.}

Figure 2 summarizes the components of the FFFI.
So how was the Fresh Food Financing Initiative so successful? There are several factors to consider, but the most important of these is simplicity. The program created the simple vision of stimulating supermarket development in lower income and underserved neighborhoods.  

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creation of a targeted approach on a modest scope allowed funds to be more effectively directed with greater results. The FFFI also was supported by a tremendous amount of graphically supported documentation that showed both need and an untapped buying power,\textsuperscript{54} which helped to attract industry and civic leaders to champion its cause where it otherwise could have faltered. Perhaps the most important factor was the inclusion of a capable CDFI in the form of The Reinvestment Fund (TRF). TRF’s participation opened up financing products like grants, loans, and NMTC to support products at a variety of levels. The experience TRF brought to the program was integral in creating successful financing packages, mostly because they were able to bring eight other financial institutions into the program to help shoulder the risk and better distribute reward.\textsuperscript{55} Without a capable CDFI like TRF, the FFFI would not have been feasible.

**California FreshWorks Fund**

One of the many policies to spin off of the wildly successful FFFI is the California FreshWorks Fund (CAFWF). The policy utilizes the FFFI model by establishing a CDFI-run program in order to leverage seed money from the California Endowment. The timing from this program was critical also, as it was designed to utilize the recently announced national HFFI to maximize its potential.\textsuperscript{56}

The California FreshWorks Fund was created to directly address more than one million California residents living in food deserts, as well as creating or sustaining an estimated 6,000


The program was initiated by the California Endowment, but is a coalition of numerous government, banking, philanthropy, and grocery industry leaders including NCB Capital Impact (CDFI), Unified Grocers, California Grocers Association, Kaiser Permanente, Emerging Markets, Policy Link, The Reinvestment Fund, JP Morgan Chase, Bank of America, and more. Collectively, over an 18 month gestation period, the program clearly defined three distinct goals in terms of access, economic development, and innovation:

1. Increase access to healthy food as a means to improve health outcomes
2. Spur economic development that supports healthy communities.
3. Encourage innovation in healthy food retailing and distribution.

On July 21, 2011 the CAFWF was officially announced to the public by First Lady Michelle Obama at a White House press conference. The funding for the program was $30 million in mission related investments and another $3.25 million in grants from the California Endowment with the intent of raising $200 million more. Within months of the original investment the fund grew to over $272 million in working capital, exceeding the original goals. NCB Capital Impact (Capital Impact), an AAA+1 Aeris Rated nonprofit CDFI, was selected to be in charge of administering the program. Capital Impact was established in 1978 to promote overall health and wellbeing in communities and is one of the largest and oldest CDFI’s in the country, bringing with it nearly $2 billion in in funding experience.
The California FreshWorks Fund utilizes a combination of debt lending, grants, and New Market Tax Credits to support fresh food retailers. The fund offers loans up to $8 million dollars towards acquisition, new construction, and tenant improvements. Loans also cover new equipment at 100% of cost, and used equipment at 60% of cost. Finally, loans follow demonstrable need, including working capital. CAFWF also offers grants to priority areas ranging from $25,000 to $50,000 for predevelopment costs, outreach, workforce training, and product and retail innovations.

Since implementation the CAFWF has supported 26 projects in 15 counties, including one project that supported eight separate locations in South Los Angeles. This represents a $54 million deployment, with $39 million coming from NMTC deals, $14 million from term loans, $524,000 in grants, and $200,000 in intermediary investments. The CAFWF estimates the

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63 Ibid.
64 Ibid.
stores have improved access to healthy foods for over 2.3 million people while creating or sustaining 1,362 jobs in 588,306 square feet of active retail space.\textsuperscript{66}

Figure 4 summarizes the components of the CAFWF

\textit{Figure 4 – California FreshWorks Fund}

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Policy Level: Statewide.</td>
</tr>
<tr>
<td></td>
<td>Policy Tools: Grants, Tiered-Debt, NMTC.</td>
</tr>
<tr>
<td>Aeris Rating</td>
<td>AAA+1, NBC Capital Impact Partners.</td>
</tr>
<tr>
<td>Funding Stream</td>
<td>$30 million in mission related investments and $3.25 million in grants from the California Endowment.</td>
</tr>
<tr>
<td></td>
<td>Capital funds grew to $272 million with equity contributions, loans, and tax credit allocations from an exhaustive list of partners.</td>
</tr>
<tr>
<td>Viability</td>
<td>Modeled directly after Pennsylvania FFFI and structured for national HFFI.</td>
</tr>
<tr>
<td></td>
<td>Michelle Obama endorsement, resulting in national institution attention.</td>
</tr>
<tr>
<td></td>
<td>Extensive coalition representing major industries supporting.</td>
</tr>
<tr>
<td></td>
<td>NBC Capital Impact, a nonprofit CDFI</td>
</tr>
<tr>
<td>Duration</td>
<td>18 Months of planning, initiated in 2011, still operating, 4 years, 5.5 from conception.</td>
</tr>
<tr>
<td>Scope</td>
<td>Projects: 26 funded spanning 15 counties.</td>
</tr>
<tr>
<td></td>
<td>Jobs: 1,362 created or sustained.</td>
</tr>
<tr>
<td></td>
<td>People Affected: 2.3 million people.</td>
</tr>
<tr>
<td>Cost Effectiveness</td>
<td>Currently funded 26 projects with $54 million in capital, supported 1,362 jobs, and effected 2.3 million people. Effective thus far.</td>
</tr>
<tr>
<td>Replicability</td>
<td>If an area has a high population like California, can attract numerous high profile investors, and offer a variety of financing, this is repeatable.</td>
</tr>
</tbody>
</table>

\textsuperscript{66} Ibid.
The California FreshWorks Fund is a successful policy intervention for a variety of reasons. While it could be argued the program met success from the national attention given by the First Lady, CAFWF and Capital Impact brought several key investors to the table before the public unveiling. But the number of investors with a variety of input allowed Capital Impact to distribute associated risks and create a diverse asset portfolio. Another important success lies in improved food access to 2.3 million people in just 4 years and a $54 million capital outlay. One of the key components that allowed this to be possible is the dense population of California at 38.8 million people.\textsuperscript{67} Clearly these access numbers would be less if the policy was enacted in an area with a smaller overall population and density. This program is not as easily replicated as the FFFI as it heavily leverages its location and publicity, but these are in no way unique or rare parameters to operate within. Without a capable CDFI like Capital Impact to collect and leverage funding for both conventional and nonconventional uses, this program would likely not have met such success.

\textbf{Colorado Fresh Food Financing Fund}

Another Pennsylvania spin off is the Colorado Fresh Food Financing Fund (CO4F). By the late 2000’s Colorado became increasingly aware of an obesity epidemic that was producing discouraging trends. Between 1995 and 2008, the Colorado obesity rate rose 89 percent – affecting more than one in five adults.\textsuperscript{68} Even more alarming was that childhood obesity rates were over 37%, and nearly one third of children in the Denver metropolitan area experienced

\textsuperscript{67} Population estimates courtesy of the U.S. Census Bureau
food insecurity at home. Further research detailed that obesity was notably worse in low-income neighborhoods, where, at the same time, people has the least amount of access to supermarkets.

As a response to these issues, the Denver Food Access Task Force was created and released their initial report Healthy Food For All: Encouraging Grocery Investment in Colorado in December of 2011. The report was similar in fashion and finding to the one released in Pennsylvania seven years earlier. The task force produced nine detailed recommendations for officials that can be distilled into three main points:

1. To enhance systems in Denver to support healthy food retail development in underserved areas.
2. To establish a fresh food financing fund to provide access to capital for developing supermarkets and grocery stores.
3. To improve the participation rate among Coloradans eligible for the Supplemental Nutrition Assistance Program (SNAP)

With a clear path laid out, Colorado set in motion to initiate a healthy food financing initiative. Through collaborative planning efforts with the Food Trust, the Denver Food Access Task Force, and the Colorado Health Foundation the state of Colorado announced the Colorado Fresh Food Financing Fund in August 2013. The program was seeded by a $7.1 million dollar grant from the Colorado Health Foundation, and is currently building its funding pool to a target of $20 million dollars.

Unlike other programs, the CO4F is not run directly by a CDFI. Instead, it is overseen by a volunteer Policy Advisory Board and implemented by a collection of key entities. The

69 Ibid.
70 Ibid.
71 The full text of all nine recommendations is available in the Healthy Food For All report, cited above.
Colorado Housing and Finance Authority serves as the fund administrator and manages all allocations. Progressive Urban Management Associates (PUMA) provides technical assistance and helps to market the fund. The Colorado Enterprise Fund is the local CDFI in charge of leveraging the seed money to meet the target funding pool.\textsuperscript{74\textsuperscript{75}}

The CO4F funds innovative fresh food projects with loans of up to $1.5 million that can cover the costs associated with acquisition, pre development, construction, equipment, inventory and other working capital needs. In addition, projects are eligible for up to $100,000 in grants that can also be used for soft costs, predevelopment, and pre-operating expenses.\textsuperscript{76} Under program rules the eligibility requirements favor self-serve grocery stores and supermarkets, but also states that innovative fund uses such as farmers markets or co-op’s will be considered based on funding availability.

In just over a year of operating there are no publicly available program results at this time. A CO4F internal presentation document from December 2014 mentions only one project: a $50,000 grant to the Denver Botanical Garden’s Urban Food Initiative.\textsuperscript{77} The document also reveals that the program has only gathered $9.5 million of its intended target funding. Without further transparency documents, it is impossible to rate the cost effectiveness of the Colorado initiative at this time.

Figure 5 summarizes the components of the CO4.

\textsuperscript{74} Ibid.
\textsuperscript{75} While this model differs from what is generally under scrutiny in this paper, it is important to add the variety of this program as the CDFI is still performing the crucial role of financial leveraging for the benefit of the fund
**Figure 5 – Colorado Fresh Food Financing Fund**

Policy Level: Statewide.  
Policy Tools: Direct grants and loans. |
|---------------------|--------------------------------------------------------------------------------------------------|
| Funding Stream      | $7.1 million from the Colorado Health Foundation  
Capital funds targeted at $20 million with equity contributions, loans, and tax credit allocations from sponsors and partners. Currently $9.5 million. |
| Viability           | State involvement due to advocacy, organization, efforts of the Denver Food Access Task Force. |
| Duration            | Conceived in 2010, initiated mid-2013, still operating. 2 years, 5 since conception.          |
| Scope               | Projects: 1  
Jobs: Unknown.  
People Affected: Unknown. |
| Cost Effectiveness  | Without better transparency reports, this can’t be assessed.                                    |
| Replicability       | This program could be repeated with city-led advocacy and a supportive state government. Seed funding from a foundation or other philanthropic group. |

The CO4F is a fairly straightforward program, and as such is easily replicated. The first component required is a strong advocacy group from the city that is willing to do the legwork and extensive research. The Denver Food Access Task Force gathered all the relevant metrics required to present a persuasive case to the state, which ultimately helped gather philanthropic seed funding. Another consideration is organizational capacity. Put plainly, a food financing initiative needs capable agents to implement and administer the program. While the CO4F has a CDFI (the Colorado Enterprise Fund) involved, they are not operating at the same capacity as
other successful programs and may not have the extensive background in food and grocery retail required. The Food Trust is also involved, as with many other initiatives, but as a Philadelphia based organization, its resources and reach may only be effective to a certain point.

At this point it may be too early to determine if the Colorado Fresh Food Financing Fund is an overall effective initiative. From the statistics available though it would seem the program is off to a slow start both in terms of acquiring its funding pool and in supporting projects. Colorado will not be able to address food security and health issues overnight, but if the CO4F can gain traction it has a strong potential to bring stores into underserved communities.

New Orleans Fresh Food Retailer Initiative

New Orleans is a peculiar case of food access in the aftermath of Hurricane Katrina in August 2005. There is slight variation in severity in reports available, but a 2011 report ranked New Orleans as the worst food desert in the country, beating out other cities like Chicago and Atlanta who are rated second and third, respectively. In the report it showed that New Orleans stores each supported over 16,000 people, which is double the national average. As of 2011 only 20 grocery stores were in operation, compared to 30 prior to the storm. The Food Trust affirmed that 19 stores had reopened in their 2009 press release, and further stated the majority of which opened in affluent neighborhoods. The original FAQ of the Fresh Food Retailer Initiative published by Hope Enterprise Credit Union stated that just 18 stores remained post Katrina and were serving over 18,000 residents each. Regardless of the actual number at the time, it is clear


that in the years following the storm that the number of grocery retail locations was not rising.

Several sources point to an unpublished 2007 survey conducted by Randi Sokol at Tulane University which found that nearly 60% of low income residents had to travel more than three miles to reach a supermarket, and less than half owned a car. These statistics clearly demonstrate that food access in New Orleans had been compromised.

The New Orleans Fresh Food Retailer Initiative (FFRI) was developed in response to Post Katrina conditions and to reports like the aforementioned 2007 Tulane University survey. The initial funding efforts were a result of the Louisiana Recovery Authority’s request to the U.S. Department of Housing and Urban Development (HUD) reallocate $500 million in Disaster Community Development Block Grant (CDBG) funds to a post-Katrina program labelled the Long Term Community Recovery Program. That request was approved, which increased available funds for Louisiana parishes to $700 million. In 2009, that State of Louisiana approved $7 million for the creation of the FFRI program in New Orleans. The program launched in March of 2011 with the initial $7 million in Disaster CDBG, and the CDFI, Hope Enterprise Credit Union, matched that at a one to one ratio to bring the fund to $14 million.

The FFRI is administered by both Hope Enterprise and The Food Trust, the Philadelphia based nonprofit largely responsible for initiating and managing Pennsylvania’s FFFI program. In the New Orleans initiative, The Food Trust is responsible for evaluating applicant eligibility

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based on program guidelines. Based on the Program Overview, eligibility requirements for retail
grocery outlets and supermarkets include but are not limited to:

- Plans to locate in a Low- or Moderate-Income census tract that is also
  underserved (defined as an area of below average supermarket density or sales).

- Minimum of 15% or 24 linear feet of store shelf space (whichever is greater)
  dedicated to the sale of fresh produce.

- Use of interest bearing and forgivable funds for pre-development, development,
  equipment, and/or training.84

The FFRI provides either interest bearing or forgivable loans to eligible supermarkets and
grocery stores. Stores can receive a combination of these funds with the total amount not to
exceed $1,000,000 and the forgivable portion to be no more than half the total amount. It is
interesting to note that the guidelines categorically disqualify pharmacy stores that sell fresh
foods and large department stores where groceries are only one department.85

It took nine months for the FFRI to fund the first project, DaFresh market in Central City
New Orleans, at a price tag of $117,000.86 Since inception, the FFRI has had over 60
applications, but only awarded four projects.87 Of those four projects, the first recipient has since
closed due to slow sales, and the most recent has yet to open. All in all, the FFRI has only
expended slightly over $3 million of its pool but has been able to create 200 permanent jobs and
extend or reaffirm food access to 50,000 people in New Orleans.88

84 Ibid.
85 Ibid.
88 Webster, Richard A. "City of New Orleans Awards $1 Million for Central City Grocery Store." The Times-
Figure 6 summarizes the components of the FFRI.

Figure 6 – New Orleans Fresh Food Retailer Initiative

<table>
<thead>
<tr>
<th>Strategy Components</th>
<th>Initiators: Louisiana Recovery Authority.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Policy Level: City based.</td>
</tr>
<tr>
<td></td>
<td>Policy Tools: Interest bearing and forgivable loans.</td>
</tr>
<tr>
<td>Aeris Rating</td>
<td>Unrated, Hope Enterprise Corporation</td>
</tr>
<tr>
<td>Funding Stream</td>
<td>$7 million in Disaster Community Development Block Grants</td>
</tr>
<tr>
<td></td>
<td>$7 million match at 1:1 from Hope Enterprise.</td>
</tr>
<tr>
<td></td>
<td>$14 million total.</td>
</tr>
<tr>
<td>Viability</td>
<td>An effective program from the standpoint of the administering partnership of Hope Enterprise Corporation and The Food Trust. Hope Enterprise Corporation, a CDFI, provides funding and technical assistance in financing. The Food Trust screens applicants for eligibility.</td>
</tr>
<tr>
<td>Duration</td>
<td>Initial funding requests in 2008, program launched in 2011, still operating, 4 years, 7 from conception.</td>
</tr>
<tr>
<td>Scope</td>
<td>Projects: 60+ applicants, 4 funded, 2 still operating, 1 under construction.</td>
</tr>
<tr>
<td></td>
<td>Jobs: 200+ jobs created or sustained.</td>
</tr>
<tr>
<td></td>
<td>People Affected: Roughly 50,000 people.</td>
</tr>
<tr>
<td>Cost Effectiveness</td>
<td>Funded 4 projects with roughly $3.17 million in capital, created over 200 jobs, and effected roughly 50,000 people. One store still in construction. Only two stores still operating. Efforts are overall effective, but slow.</td>
</tr>
<tr>
<td>Replicability</td>
<td>This program could be repeated elsewhere if there were active participation of the state, funds obtained either federally or from the state, a food-access savvy non-profit to help administer the program, and a highly capable CDFI to handle financing.</td>
</tr>
</tbody>
</table>

Overall, the New Orleans Fresh Food Retailer Initiative is a successful program given its smaller and more focused scale compared to other programs. While the program is still underway and has the majority of its funding left to deplete, there are some trends emerging that are
worrisome. First, Hope is currently underwriting less than one project per year in a city that still has major issues with food access. Second, and most important, the stores underwritten have all targeted low income neighborhoods, but are all located fairly close to one area of the city – leaving out entire neighborhoods and regions that statistically need the most assistance. It should be a priority of both the city of New Orleans and Hope Enterprise to determine why these trends are prevalent and take action on them to ensure that when all of the FFRI’s funds are expended these trends haven’t solidified into more permanent issues.

New York Healthy Food & Healthy Communities Fund

In 2006, New York City public officials, including Mayor Bloomberg and City Council Speaker Christine Quinn, began a concerted effort to improve access to healthy foods in neighborhoods throughout the five boroughs. The initial efforts of their focus yielded the report *The Need for More Supermarkets in New York* which highlighted three recommendations for action:

“First, we need to erase the gap in the number of supermarkets between low- and higher-income communities, through significant public investment. In order to do that, we need to build on the groundwork that has already been laid, and convene leaders from the business, government, public health, civic and community sectors to develop a strategy to create more supermarkets in lower-income communities. Finally, a lynchpin of that strategy is for state and local governments to create a grant and loan program to support local supermarket development projects in order to increase the availability of affordable and nutritious food in underserved communities.”

The report was an extensive review of GIS-based mapping data. Without the need for extensive statistics and numbers without base, New York City was able to adequately show its

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need for action through maps such as Weekly Sales Volumes, Sales versus Population, Sales
versus Income, Low Sales and Low Income, and Income and Diabetes-related Deaths which
allowed for the extrapolation of areas with the greatest need. The overwhelming data was
enough to get the state on board and initiate a task force to address the barriers to supermarket
and other fresh food retail development in underserved communities across New York State.

In September 2010, New York Governor David Paterson publicly announced the New
York Healthy Food & Healthy Communities Fund (HFHC). The fund is seeded with $10 million
dollars from Empire State Development, who also functions as an administrator of the program.
The fund also includes a $20 million commitment from the Goldman Sachs Group, bringing the
funding pool to $30 million. Through a public Request For Proposals (RFP), the state brought
in the Low-Income Investment Fund, an AAA+ rated CDFI, to be the lead administrator of the
program with collaborative efforts from The Reinvestment Fund and The Food Trust.

The HFHC utilizes a toolset of standard interest bearing debt and grants to execute its
mission. It offers loans for acquisition, predevelopment, construction, term, and New Market Tax
Credit leverage loans in the range of $250,000 to $5 million. Capital grants are available from
$5,000 to $500,000 that can assist with the costs of land assembly, infrastructure improvements,

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91 The full editions and details of these maps are available in the reference 90.
92 “Low Income Investment Fund.” Governor Paterson Announces Launch of New York Healthy Food & Healthy
paterson-announces-launch-of-new-york-healthy-food-healthy-communities-fund/.
real estate, and equipment. Currently no funding type is eligible for working capital, inventory, or workforce development.

Since 2010 the HFHC has deployed more than $6 million in capital for eight projects, including one mobile market and one regional farmers market. In total, this has created, enhanced, or preserved roughly 67,000 square feet of food retail space and serves some 24,000 people. Additionally, the program has created 204 full time jobs that did not exist before, and created 136 temporary jobs by means of construction.

Figure 7 summarizes the components of the HFHC.

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The New York Healthy Food & Healthy Communities Fund is overall a very successful program. Although it has only deployed just over $6 million of its $30 million fund, it has made a significant impact in terms of people served and job availability. At the outlay the initiative had two major benchmark goals: support the direct development of jobs, and meet the financing needs of market operators who want to do business in underserved communities. With a majority

| Strategy Components | Initiators: NYC Mayor Bloomberg, City Council Speaker Christine Quin.  
| Policy Level: Statewide.  
| Policy Tools: Direct grants and loans. |
|----------------------|---------------------------------|
| Aeris Rating         | AAA+1, the Low-Income Investment Fund. |
| Funding Stream       | $10 million from the state’s Empire State Development Corporation.  
|                      | $20 million commitment from the Goldman Sachs Group.  
|                      | $30 million total fund. |
| Viability            | Direct support and extensive background research by a major city government.  
|                      | Large contributions from non-government entities with minimal strings and compliance attached. |
| Duration             | Initial efforts in 2006, initiated in 2010, still operating. 5 years, 9 from conception. |
| Scope                | Projects: 8 projects (6 traditional stores, 1 mobile market, 1 regional farmers market). 67,500 square feet in total.  
|                      | Jobs: 204 permanent jobs, 132 construction.  
|                      | People Affected: 24,000 people in underserved communities. |
| Cost Effectiveness   | $6.24 million outlay so far ($4.86 in loans, $1.38 in grants) for several hundred jobs and increased access to thousands with the addition of 67,000+ square feet signals an overall effective program. |
| Replicability        | States with a strong local government with access to extensive GIS data, and also ties with large non-governmental financial institutions. This is replicable, but not without extended effort. |
of funds still available in coffers, it is likely that the program will continue to perform to high standards. The program had tremendous support in getting off the ground by way of the New York City government. The provision of extensive GIS based data helped to streamline identifying the issue and attracting state and industry officials to the table. In addition, the fund was able to pull from major local investment firms within New York City to establish its core fund. While the program can be repeated, it would certainly be hard for the majority of cities to have access to the quality and amount of data New York had. Even more difficult would be acquiring seed funding from all non-government entities to allow for freedom in operations.

Part Five: Analysis

Though each case presented thus far has contained some level of analysis, it is important to examine these cases side by side in a broader spectrum. The following section will attempt to provide a meta-analysis by comparing the previously defined components of each case in a matrix style format to evaluate overall effectiveness of each policy and identify trends, strengths, and weaknesses.

Case Study Comparison

To begin the analysis, the discussion will first compare the cases through each of the eight policy features:

- Strategy Components (Initiators, Policy Level, and Tools)
- Aeris Rating
- Funding Stream
- Viability (How easy/complicated is it to implement?)
Duration (How long does it take to enact, when did/does it start/end?)

Scope (What kind of impact, how many stores?)

Cost-Effectiveness

Repeatability (Can it be replicated elsewhere?)

The first three features, Strategy Components, Aeris Rating, and Funding Stream are directly related to policy mechanics – what the policies were and how they worked. Viability, Duration, Scope, and Cost-Effectiveness address the outcome and impacts of the policies. Comprehensively, these seven answer the question of Repeatability – which policies would work in other areas?

In quantitative data analysis, discussions focus on key metric points and are considered high, medium, and low. Being that the majority of the data presented in these case studies tends to be qualitative, such analysis is generally inappropriate. However, there is a structure that can be adopted by not chronicling every detail available, but sticking to data points that represent strong, average, and weak features as the following matrices will depict.
Strategy Components

*Figure 8 – Strategy Components*

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
<th>Colorado Fresh Food Financing Fund</th>
<th>New Orleans Fresh Food Retailer Initiative</th>
<th>New York Healthy Food &amp; Healthy Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initiators:</strong> The Food Trust, State Representatives</td>
<td><strong>Initiators:</strong> The California Endowment.</td>
<td><strong>Initiators:</strong> Denver Food Access Task Force, The Food Trust, and The Colorado Health Foundation.</td>
<td><strong>Initiators:</strong> Louisiana Recovery Authority.</td>
<td><strong>Initiators:</strong> NYC Mayor Bloomberg, City Council Speaker Christine Quin.</td>
</tr>
<tr>
<td><strong>Policy Level:</strong> Statewide.</td>
<td><strong>Policy Level:</strong> Statewide.</td>
<td><strong>Policy Level:</strong> Statewide.</td>
<td><strong>Policy Level:</strong> State based.</td>
<td><strong>Policy Level:</strong> Statewide.</td>
</tr>
<tr>
<td><strong>Policy Tools:</strong> Financing via Direct Grants, Core Fund Loans, New Market Tax Credits.</td>
<td><strong>Policy Tools:</strong> Grants, Tiered-Debt, NMTC.</td>
<td><strong>Policy Tools:</strong> Direct grants and loans.</td>
<td><strong>Policy Tools:</strong> Interest bearing and forgivable loans.</td>
<td><strong>Policy Tools:</strong> Direct grants and loans.</td>
</tr>
</tbody>
</table>

The initiator with the strongest influence was The Food Trust, especially when noted that, while not listed as an initiator for each of these programs, the organization became involved in every policy inspected here. The Food Trust brings with it the experience to understand food access issues and utilize data-driven reports for advocacy and consensus building. The California Endowment, while not the most food access savvy was incredibly effective in gathering industry leaders to its cause in a time period unmatched by any other policy. In no way were any of the policies lacking in initiation efforts; however, New Orleans is not easily comparable to the others presented here due to its unique conditions of its environment.
## Aeris Ratings

*Figure 9 – Aeris Ratings*

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
<th>Colorado Fresh Food Financing Fund</th>
<th>New Orleans Fresh Food Retailer Initiative</th>
<th>New York Healthy Food &amp; Healthy Communities</th>
</tr>
</thead>
</table>

It is clear that AAA+1 certified Community Development Financial Institutions are a force to be reckoned with. AAA ratings show that the CDFI excels within benchmark tests of the goals set for projects. The 1 signals that they are fiscally strong and provide a safe investment. Finally the +, arguably one of the most important indicators in this case, signals that the CDFI is a recognized leader in policy change efforts. While the Colorado Enterprise Fund and Hope Enterprise Corporation are not rated, this should not be immediately construed as a negative indicator - a large majority of CDFI’s are unrated, or choose not to publicly disclose the information. However, in the cases outlined here, there may be a correlation between ratings and how effective an initiative is at moving capital out the door.
The strongest funding stream examined is the Pennsylvania model. Even though the original seed money originated in the state, TRF was able to effectively leverage that at a rate of 5.5:1. A close second is the New York Model due to the ease of funding use when considering government funding regulations. The California model is essentially as effective as New York, but due to the high profile of the policy which allowed for extensive leveraging it would not be as easily replicated. New Orleans is, again, a statistical anomaly due to its D-CDBG seed funding, but it should be of note that outside of Hope’s original match nothing was done to grow the fund pool which may be having ramifications. The Colorado policy lacks transparency and, as such, the efficacy of the funding model is difficult to judge.
Viability

*Figure 11 – Viability*

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
<th>Colorado Fresh Food Financing Fund</th>
<th>New Orleans Fresh Food Retailer Initiative</th>
<th>New York Healthy Food &amp; Healthy Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>State involvement due to advocacy, organization, efforts, and partnerships of The Food Trust. Complex financing, made possible by TRF (CDFI).</td>
<td>Modeled directly after Pennsylvania FFFI and structured for national HFFI. Michelle Obama endorsement, resulting in national institution attention. Extensive coalition representing major industries supporting. NBC Capital Impact, a nonprofit CDFI</td>
<td>State involvement due to advocacy, organization, efforts of the Denver Food Access Task Force.</td>
<td>An effective program from the standpoint of the administering partnership of Hope Enterprise Corporation and The Food Trust. Hope Enterprise Corporation, a CDFI, provides funding and technical assistance in financing. The Food Trust screens applicants for eligibility.</td>
<td>Direct support and extensive background research by a major city government. Large contributions from non-government entities with minimal strings and compliance attached.</td>
</tr>
</tbody>
</table>

Viability speaks to level of ease or complication involved when implementing a policy. There are no particular stand outs in this field since they are all similarly structured programs with capable CDFI backing. Each program offers a varied collection of grants and debt which is more effective than non-CDFI models (such as Tax Increment Financing districts) because they allow the policy to deploy funds up front. It is of note that both Pennsylvania and California are particularly effective at leveraging their funds because of the New Market Tax Credit allocations received by their respective CDFI.
Duration

Figure 12 – Duration

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
<th>Colorado Fresh Food Financing Fund</th>
<th>New Orleans Fresh Food Retailer Initiative</th>
<th>New York Healthy Food &amp; Healthy Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial efforts in 2001, creation in 2004, through 2010 took 6 years to implement, 9 from conception.</td>
<td>18 Months of planning, initiated in 2011, still operating, 4 years, 5.5 from conception.</td>
<td>Conceived in 2010, initiated mid-2013, still operating. 2 years, 5 since conception.</td>
<td>Initial funding requests in 2008, program launched in 2011, still operating, 4 years, 7 from conception.</td>
<td>Initial efforts in 2006, initiated in 2010, still operating. 5 years, 9 from conception.</td>
</tr>
</tbody>
</table>

Duration is another category with varied results. Currently Pennsylvania is the only initiative that has reached sunset by depleting its funding pool. In total, it took six years to complete, nine if including implementation time. Comparably, California, New Orleans, and New York have all been operating for four to five years and have deployed anywhere between 14 to 20 percent of their respective funds. It is of note however, that even at a slower pace and lower capital output, California has had a much larger program impact than Pennsylvania was able to produce. Colorado’s Fresh Food Financing Fund has the shortest project duration with only two years of operation, and almost no output. Every project listed took between 6 to 18 months to fund their first project.
Scope

Figure 13 – Scope

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
<th>Colorado Fresh Food Financing Fund</th>
<th>New Orleans Fresh Food Retailer Initiative</th>
<th>New York Healthy Food &amp; Healthy Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projects</strong>: 206 applicants, 88 funded, spanning 34 counties.</td>
<td><strong>Projects</strong>: 26 funded spanning 15 counties.</td>
<td><strong>Projects</strong>: 1</td>
<td><strong>Projects</strong>: 60+ applicants, 4 funded, 2 still operating, 1 under construction.</td>
<td><strong>Projects</strong>: 8 projects (6 traditional stores, 1 mobile market, 1 regional farmers market).</td>
</tr>
<tr>
<td><strong>Jobs</strong>: 5,000+ jobs created/preserved.</td>
<td><strong>Jobs</strong>: 1,362 created or sustained.</td>
<td><strong>Jobs</strong>: Unknown.</td>
<td><strong>Jobs</strong>: 200+ jobs created or sustained.</td>
<td><strong>Jobs</strong>: 204 permanent jobs, 132 construction.</td>
</tr>
<tr>
<td><strong>People Affected</strong>: Increased food access for over a half-million people.</td>
<td><strong>People Affected</strong>: 2.3 million people.</td>
<td><strong>People Affected</strong>: Unknown.</td>
<td><strong>People Affected</strong>: Roughly 50,000 people.</td>
<td><strong>People Affected</strong>: 24,000 people in underserved communities.</td>
</tr>
</tbody>
</table>

California is a standout in terms of demonstrable impact. With only 26 projects, it has affected 2.3 million people, and is on track to create or preserve as many jobs as the runner up, Pennsylvania, did in terms of ratio of jobs per store. Of course, it is noted again that the population density of the markets effected in California is much higher than some policies investigated. The New Orleans Fresh Food Retailer Initiative is not as strong performing as the Pennsylvania model, but has demonstrated a large impact in terms of people affected per project compared to New York. This also may be an indicator of just how bad the food access situation was in New Orleans when the program was implemented. Colorado is off to a very slow start, and as such does not have publicly disclosed numbers to track.
Cost Effectiveness

*Figure 14 – Cost Effectiveness*

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
<th>Colorado Fresh Food Financing Fund</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Costs of $195 million (30+165) in initial investments, a SROI of $2.23 billion with 88 stores and 5,000+ jobs, the benefits clearly outweigh the costs.</td>
<td>Currently funded 26 projects with $54 million in capital, supported 1,362 jobs, and effected 2.3 million people. Effective thus far.</td>
<td>Without better transparency reports, this can’t be assessed.</td>
<td>Funded 4 projects with roughly $3.17 million in capital, created over 200 jobs, and effected roughly 50,000 people. One store still in construction. Only two stores still operating. Efforts are overall effective, but slow.</td>
<td>$6.24 million outlay so far ($4.86 in loans, $1.38 in grants) for several hundred jobs and increased access to thousands with the addition of 67,000+ square feet signals an overall effective program.</td>
</tr>
</tbody>
</table>

Cost effectiveness represents another difficult component for consistency of information available. Since Pennsylvania is the only completed project, no other policy will be able to demonstrate its social return on equity. Every case demonstrates roughly 50 jobs created per project, with project costs ranging from roughly $2 million each for Pennsylvania and California to roughly $800,000 per project in New Orleans and New York. While the data is not available for Pennsylvania, California paid out roughly $23 for each person affected versus $63 in New Orleans and $260 in New York. Colorado again couldn’t be compared due to a lack of transparency.
Replicability

Figure 15 – Replicability

<table>
<thead>
<tr>
<th>Pennsylvania Fresh Food Financing Initiative</th>
<th>California FreshWorks Fund</th>
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</tr>
</thead>
<tbody>
<tr>
<td>If a city has a non-profit group with strong community ties and persuasive advocacy, some seed investment funds, and a capable CDFI, a similar intervention policy would be feasible.</td>
<td>If an area has a high population like California, can attract numerous high profile investors, and offer a variety of financing, this is repeatable.</td>
<td>This program could be repeated with city-led advocacy and a supportive state government. Seed funding from a foundation or other philanthropic group.</td>
<td>This program could be repeated elsewhere if there were active participation of the state, funds obtained either federally or from the state, a food-access savvy non-profit to help administer the program, and a highly capable CDFI to handle financing.</td>
<td>States with a strong local government with access to extensive GIS data, and also ties with large non-governmental financial institutions. This is replicable, but not without extended effort.</td>
</tr>
</tbody>
</table>

Pennsylvania still reigns as the most repeatable retail intervention policy. This is not simply because of the demonstrated outcome, but rather the simple characteristics of the policy that can be studied, observed, modeled, and repeated with other entities in other geographic areas. There are straightforward step that can be taken to help introduce the policy, gain consensus, enact the policy, allocate funds, and administer projects.

While all of the other projects follow the precedent of Pennsylvania, there are tweaks to each that leave them more restricted. In the case of California it is the aggregation of high profile investors and very high population density. In New Orleans it is the Disaster Community Development Block Grant seed funding. New York is replicable, and perhaps more so than the
other runner ups since Geographic Information Systems mapping is becoming a more common tool utilized by municipal governments but still not as common in smaller cities and towns.

Colorado oddly is the most similar to Pennsylvania, but has yet to produce the results required to inspire people to use their exact model.

**Overall**

*Figure 16 – Overall Ranking*

<table>
<thead>
<tr>
<th></th>
<th>Overall Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pennsylvania Fresh Food Financing Initiative</td>
</tr>
<tr>
<td>2</td>
<td>California FreshWorks Fund</td>
</tr>
<tr>
<td>3</td>
<td>New Orleans Fresh Food Retailer Initiative</td>
</tr>
<tr>
<td>4</td>
<td>New York Healthy Food &amp; Healthy Communities Fund</td>
</tr>
<tr>
<td>5</td>
<td>Colorado Fresh Food Financing Fund</td>
</tr>
</tbody>
</table>

Topping the list yet again is the Pennsylvania Fresh Food Financing Initiative as they still hold the bar for performance and replicability compared to the programs that have followed in its footsteps. Although it may be controversial because of issues with replicability, California places second on this list. What is most important to remember is the funding model that California is championing. By removing all governmental ties, the FreshWorks Fund is able to fund a wide variety of projects and activities not seen in other funds, which in turns increases its overall effectiveness. So, assuming a funding model can be sourced from the philanthropic community, truly innovative results are capable. New Orleans edges out New York for the third slot. Even though New Orleans has been slow to deploy its funds, likely a result of its unique funding source, it is demonstrating a higher impact per dollar than New York. The significance in this situation is proving by example that cities do not necessary need to wait for a statewide initiative
to make a successful impact. Finally, the Colorado Fresh Food Financing Fund seems to have been orphaned and at present going nowhere fast, earning it the lowest ranking.

### Part Six: Conclusions

This analysis does not suggest that supermarkets and grocery stores are the best or only solution for underserved urban areas. More effective food access solutions may lie in alternatives like small corner stores, urban agriculture, farmers’ markets, food co-ops, community gardens, shared backyard gardens, or even squatter gardens depending on the needs and buying powers of the communities in question. This study has in no way answered which of these solutions to access is the most effective, and has not addressed the comprehensive list of food access issues that affect underserved communities. What this study has done is to draw from a specific type of policy effort previously identified as highly impactful and identify strengths and weaknesses of recent policy iterations.

This analysis has solely considered the merits of food retail intervention policies administered by Community Development Financial Institutions in a way that highlights the abilities of public private partnerships. The primary reason for this methodology is that the heavily regulated U.S. food systems distribute food primarily through grocery stores and supermarkets. Because of this system, grocery stores and supermarkets account for the largest volume of food distribution and thus the largest leveraging point for a policy to effect.

The key takeaway from this is that no one-size-fits-all model has been developed to address food access and security. While the Pennsylvania program represents an extremely well performing and replicable intervention policy, some of its spinoff programs have clearly worked better than others. However, the FFFI model still indicates an overall effective policy, and by
studying underperforming models as well as the successful ones, it is possible to understand what key components will make the largest impact on a newly minted policy. Clearly demonstrated within the analysis here is the importance of a highly rated and capable CDFI and both plentiful and flexible seed funding to allow for a larger amount of subsidy per project and true innovation in project typology. With that in mind, there are many opportunities for further research of CDFI administered food retail intervention policies, and the hope is that this analysis will provide a useful starting point for further studies and policy iterations as well as shed light on the importance of transparency in public policy.
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Section 2527, Paragraph A


Ver Ploeg, Michelle, Vince Breneman, Tracey Farrigan, Karen Hamrick, David Hopkins, Phillip Kaufman, Biing-Hwan Lin, Mark Nord, Travis A. Smith, Ryan Williams, Kelly Kinnison,


Appendixes

Additional Initiatives

The following initiatives (Cincinnati, Illinois, Michigan, New Jersey, and Virginia) were not included in the main case study analysis for a variety of reasons. Some programs, like Michigan are still in developmental stages and thus cannot provide the necessary outcome components to qualify for analysis. Programs like Illinois and Virginia do not have enough transparency or history in order to provide adequate data. These additional initiatives are included as an appendix to demonstrate the amount of CDFI food access policy iterations that currently exist and also provide a resource of potential future cases for study.

Cincinnati Fresh Food Financing Fund

The Cincinnati Fresh Food Financing Fund (CFFFF) was seeded by $15 million dollars in municipal government investment over the course of three years (date unknown). The purpose of the fund is to increase the number of supermarkets, grocery, stores, and other fresh food markets in low-income, underserved communities in the Cincinnati area. The local CDFI, the Cincinnati Development Fund (Rating Unknown) currently manages the fund and offers loans only at an undisclosed amount range. Loans can be used for land assembly, infrastructure, real estate, and equipment.

Illinois Fresh Food Fund

The Illinois Fresh Food Fund was established in late 2012 to increase the availability of fresh food in Illinois communities and neighborhoods. The fund is managed by The Illinois Facilities Fund (AAA+1) and was seeded with $10 million from the state. IFF also received a
Healthy Food Finance Initiative federal grant of $3 million in 2011. It expects to distribute $30 million in the next three to four years. Illinois offers both loans and grants at an undisclosed amount. Funds can be used for acquisition, construction, build out, energy efficient systems, and equipment.

**Michigan Good Food Fund**

The Michigan Good Food Fund is a proposed food retail intervention policy. The target fund amount is $30 million dollars with the expectation to utilize both loans and grants to finance food processors, distributors, retailers and entrepreneurs to the benefit of underserved communities throughout Michigan. Internal documents currently state Michigan has over 500,000 children in areas with limited supermarket access.

**New Jersey Food Access Initiative**

The New Jersey Food Access Initiative (NJFAI) was initially funded in 2009 with $4 million dollars from the state of New Jersey. Since then, the managing CDFI The Reinvestment Fund (AAA+1) has accepted additional loans and grants to bring the fund coffers to roughly $18 million. The program is a direct response to research that shows more than one million New Jerseyans live in areas with limited supermarket access and almost three quarters of those residents also live in low income neighborhoods. The program intends to utilize loans ranging from $200,000 to $4.5 million and grants from $5,000 to $125,000 to help cover the costs of acquisition, predevelopment, construction or renovation, leasehold improvement, equipment, and permanent financing.
Virginia Fresh Food Loan Fund

Virginia Community Capital is currently working to launch the Virginia Fresh Food Loan Fund (VFFLF). VCC currently plans to develop an $11 million fund from a variety of sources, including both program and mission related grants from foundation partners. VCC plans to offer both term debt and lines of credit ranging from $50,000 to $1 million, with no mention of grants currently.
Figures

Figure 1 – Retail Intervention Policies .................................................................11
Figure 2 – Pennsylvania Fresh Food Financing Initiative .................................23
Figure 3 – California FreshWorks Fund Capital Structure ..............................26
Figure 4 – California FreshWorks Fund .............................................................27
Figure 5 – Colorado Fresh Food Financing Fund ............................................31
Figure 6 – New Orleans Fresh Food Retailer Initiative .................................35
Figure 7 – New York Healthy Food & Healthy Communities Fund .................39
Figure 8 – Strategy Components ....................................................................42
Figure 9 – Aeris Ratings .................................................................................43
Figure 10 – Funding Stream ...........................................................................44
Figure 11 – Viability .......................................................................................45
Figure 12 – Duration ......................................................................................46
Figure 13 – Scope ..........................................................................................47
Figure 14 – Cost Effectiveness .......................................................................48
Figure 15 – Replicability ................................................................................49
Figure 16 – Overall Ranking .........................................................................50