



REINVESTMENT
FUND

Healthy Food Access

Improving access to healthy, fresh food in low-income communities.

Reinvestment Fund has invested \$286 million in 166 healthy food access projects across the country.

Reinvestment Fund is committed to improving access to healthy, fresh food in low-income communities through the innovative use of capital and information.

THE CHALLENGE

For customers

USDA estimates that 29 million Americans have limited access to full-service supermarkets. Lack of access is particularly problematic in many low-income urban and rural communities as well as communities of color. For people facing barriers to fresh, healthy, and affordable food choices, eating well becomes a challenge. Communities without full-service grocery retailers also lose out on the benefits these businesses can bring: jobs and the development of other amenities and services nearby.

For retailers

Food retailers face significant barriers that deter them from opening or maintaining stores in distressed areas. For example, start-up costs, especially in cities, are significantly higher compared to their suburban counterparts. Such challenges can keep retailers from tapping into the local demand for affordable and healthy food.

OUR IMPACT

- 166 healthy food access projects financed for a total of almost \$286 million
- Pioneered a healthy food financing program that has been replicated in several states, and at a national scale as the federally-sponsored Healthy Food Financing Initiative
- Developed a national analytic tool to identify areas with inadequate and inequitable access to healthy food
- 10 studies on topics related to food, including access, financing mechanisms, program design, and food systems



Mariposa Food Co-op's new space in West Philadelphia is five times the size of the previous space and offers an expanded selection of locally-produced, organic, and conventional products. Sales in the new location have nearly tripled, well exceeding original projections.

Photo © Mariposa Food Co-op, Paul Gargagliano.

WATCH VIDEO ▶

www.reinvestment.com/success-story/mariposa-food-co-op/



SOLUTIONS WE OFFER

Financing

Reinvestment Fund's smart subsidy approach to healthy food financing allows viable healthy food retailers to overcome the higher startup costs of locating in underserved communities. Reinvestment Fund also finances stores expansions and equipment, tapping different funding streams depending on a project's needs.

Data & Analysis

We have also devoted significant resources to understanding access to healthy, fresh food, particularly in low-income areas.

Public Policy & Capacity Building

Reinvestment Fund is working with policymakers and advocates to push for a smart, sustainable way to invest in healthy food and jobs in low-income neighborhoods nationwide. Reinvestment Fund also provides technical assistance to CDFIs, foundations and other organizations to close the information gap and build their capacities around healthy food access financing.



Reinvestment Fund, The Food Trust, and PolicyLink launched the Healthy Food Access Portal, a comprehensive online resource for understanding and improving food access in underserved communities.

Healthy Food Access Portal

VISIT WEBSITE ►
www.healthyfoodaccess.org

Increasing access to healthy food can have major economic and health benefits.

Since 2004, Reinvestment Fund has pioneered a comprehensive approach to healthy food financing and improving the food landscape in low-income, underserved communities. In 2014, we launched ReFresh, a national initiative to improve healthy food access in low income communities across the United States.

How we do it

Reinvestment Fund aggregates private capital, uses local market knowledge, underwrites and services projects, and works effectively with public, private, and civic stakeholders. We combine various funding sources depending on qualification and needs, allowing store operators to overcome location-dependent start-up and maintenance costs.

Where we do it

Reinvestment Fund targets viable food access projects where capital can help overcome barriers and catalyze economic development. We focus on projects that will provide healthy, unprocessed food (particularly fruits and vegetables) in low- to moderate-income census tracts

HEALTHY FOOD FINANCING BENEFITS

- Based on studies conducted by Reinvestment Fund and others, increasing access to healthy food has major benefits. This research indicates that supermarket development can:
 - Increase job opportunities
 - Improve access to fresh food at a lower cost to the consumer
 - Improve surrounding real estate values
 - Serve as an anchor for other commercial development
 - Increase tax revenue



As part of ReFresh, Reinvestment Fund is currently partnering with CDFIs to expand or launch healthy food financing programs.





FOOD FINANCING PRODUCTS

Reinvestment Fund provides affordable predevelopment, construction, and permanent financing and manages special initiatives that provide grants to eligible projects. Through the federal New Markets Tax Credit program, we finance projects that improve food access and build local food systems infrastructure. Financing can be used to build new supermarkets or food co-ops, expand existing facilities, as well as purchase and install new equipment.

Uses:	Acquisition Construction/ Renovation	Leasehold Improvements Equipment Permanent
Amount:	Up to \$8,300,000	
Rate:	Varies by product and term	
Term:	Predevelopment, acquisition or construction loans: Up to 12 months Equipment: 5 to 7 years; fully amortizing Permanent loans: Up to 15 years, amortizations up to 25 years Leasehold improvement loans: Loan term not to exceed lease term	
Advances:	Construction advances for work-in-place as verified by a Reinvestment Fund inspector, subject to 10% retainage	
Collateral:	Mortgage or leasehold mortgage Security interest in personal property	
Equity Requirement:	For Profit: 20% min Nonprofit: cash, grants or contributed real estate; 10% min	
Repayment:	Interest only during predevelopment and construction Permanent loans may require balloon payment at maturity	
Fees:	1% Origination fee Borrower pays all of Reinvestment Fund's costs in closing the transaction, including, but not limited to, legal costs, recording and search fees, title insurance, appraisal, plan review, inspections, and environmental assessments	

LOAN CRITERIA

- Strong financial condition of borrower and, if applicable, guarantor
- Management experience and depth
- Loan-to-value ratio < 80-90%, based on satisfactory appraisal
- Loan to book value < 80% for equipment
- Debt service coverage ratio > 1.2x for five year operating projections
- Feasible project budget and operating projections
- Viable supermarket location as supported by market study or other market potential analysis

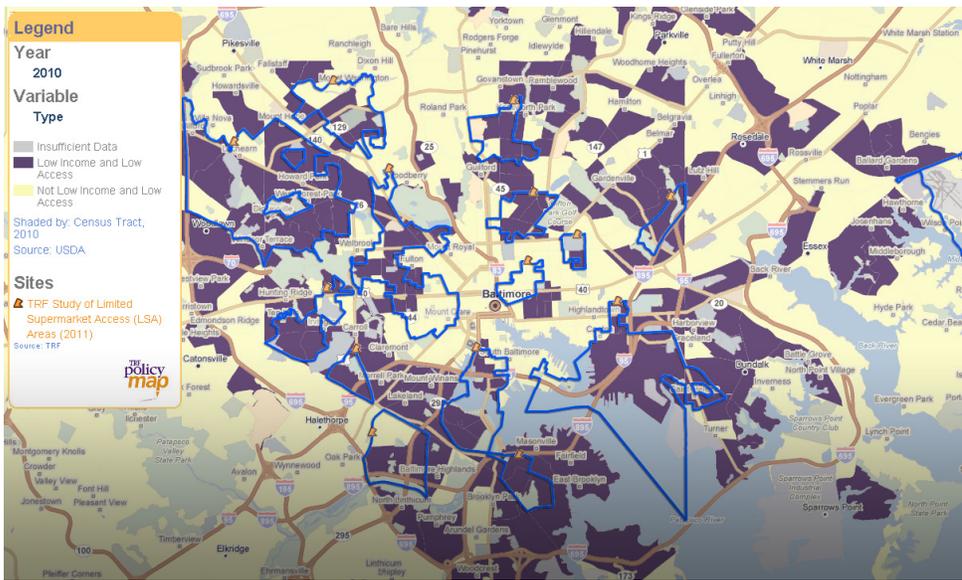
LOAN ELIGIBILITY

- Located in a low- to moderate-income census tract
- Located in or projected to serve an underserved community

TO APPLY

Download an application from www.reinvestment.com, complete and email to:

supermarkets@reinvestment.com



Areas outlined in blue are LSA areas, where access to full-service supermarkets is limited. Purple shaded regions are USDA food deserts. National food access data is available on www.PolicyMap.com



DATA AND ANALYSIS

Healthy Food Access Quantified

Reinvestment Fund incentivizes viable supermarket operators and developers to select sites in underserved areas. Key to this is our study, *Searching for Markets: The Geography of Inequitable Access to Supermarkets in the United States*, the results of which are available for public use on PolicyMap.com.

Funded by the U.S. Department of the Treasury CDFI Fund, this study looked at such criteria as income, distance to existing stores and car ownership to identify places where households have inadequate and inequitable access to supermarkets. We refer to these as **limited supermarket access (LSA) areas**. The analysis quantifies disparate levels of food access and estimates the dollar amount that area residents spend outside of their communities (retail leakage).

Using this data, we can assist supermarket operators with identifying locations where local demand would support a new full-service store. We also offer the Huff retail analysis to measure the probability that underserved and low-income residents will use a new grocery store. With our research and first-hand experience working with communities, retailers, capital sources and governments, Reinvestment Fund is able to guide borrowers and ensure a high degree of success among the projects we finance.

Reinvestment Fund's LSA analysis is accepted by the CDFI Fund as eligibility criteria for federally-funded healthy food lending.



With 10 studies on topics related to food, including access, financing mechanisms, program design, and food systems, Reinvestment Fund's comprehensive body of research has earned national recognition.

CDFIs nationwide turn to Reinvestment Fund for capacity-building assistance as they work with states interested in developing healthy food financing programs.

PUBLIC POLICY AND CAPACITY BUILDING

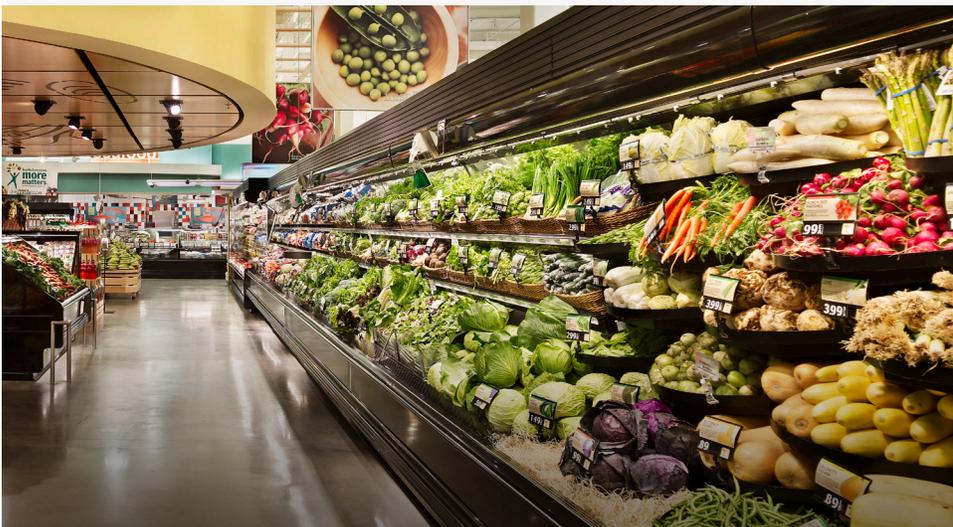
Since the proven success of the PA Fresh Food Financing Initiative in urban and rural communities, we have worked with policymakers and advocates to push for smart, sustainable ways to invest in healthy food and good jobs in low-income neighborhoods nationwide. Reinvestment Fund helped create the New Jersey Food Access Initiative, a \$20 million fresh food financing program supported by the Robert Wood Johnson Foundation.

And, with The Food Trust and PolicyLink, we partnered with policymakers to launch a federal Healthy Food Financing Initiative (HFFI)—a viable, effective, and economically sustainable solution to limited healthy food access. Since 2011, the Departments of Agriculture, Health and Human Services and Treasury have appropriated millions of dollars to fund HFFI.

Reinvestment Fund and our partners created the Healthy Food Access Portal (www.healthyfoodaccess.org), an online resource for improving food access, building local economies, and enhancing public health. We also developed a curriculum for training workshops in and created an implementation handbook advising CDFIs how to underwrite supermarkets. In 2014, Reinvestment Fund launched ReFresh, a national initiative that brings local organizations together to share expertise and pursue opportunities in order to finance more food access projects that benefit low-income communities.

THE PENNSYLVANIA FRESH FOOD FINANCING INITIATIVE— BY THE NUMBERS:

- Ran from 2004-2010
- 206 applications from across Pennsylvania with 93 approved
- \$73.2 million in loans
- \$12.1 million in grants
- 5,023 jobs created
- 1.66 million square feet of commercial space built
- \$30 million in funding provided by the state with \$145 million in additional investment



The Fresh Grocer at Progress Plaza was renovated with NMTC and Pennsylvania Fresh Food Financing Initiative funds. The 46,000 square-foot, full-service supermarket increased access to affordable healthy food in North Philadelphia and brought 272 quality local jobs.



WATCH VIDEO ▶

www.reinvestment.com/success-story/fare-square

Our financing made it possible for **Fare & Square**, the country's first non-profit grocery store, to open in Chester, PA where residents had been without a supermarket since 2001. You can watch impact videos on Fare & Square and other healthy food projects at:

www.reinvestment.com/impact

For more information, contact:
supermarkets@reinvestment.com



REINVESTMENT FUND

www.reinvestment.com
www.policymap.com

REINVESTMENT FUND is a catalyst for change in low-income communities. We integrate data, policy and strategic investments to improve the quality of life in low-income neighborhoods.

PHILADELPHIA

1700 Market Street, 19th floor
 Philadelphia, PA 19103
 TEL 215.574.5800 FAX 215.574.5900

BALTIMORE

1707 North Charles Street, Suite 200B
 Baltimore, MD 21201
 TEL 410.783.1110

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Reinvestment Fund is an equal opportunity provider.