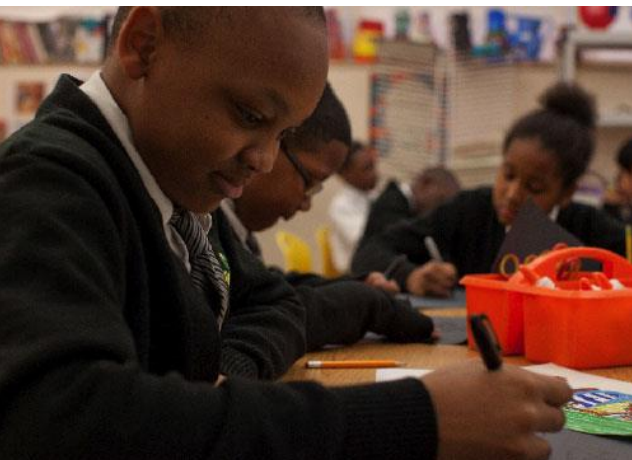




REINVESTMENT
FUND



Donna Leuchten Nuccio

June 18, 2019

Land Use, Regional Planning and Community Development
Financing to Stimulate the Development or Renovation of Healthy
Food Retail Options in Under-served Areas



OUR MISSION

Reinvestment Fund is a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships.

We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.



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About Reinvestment Fund

- Since 1985, Reinvestment Fund has made **\$2 billion** in cumulative investments and loans.
- We are supported by over **880 investors** that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.
- Since 2004, we have invested over **\$300 million** in more than **180** healthy food access projects.



What are CDFIs?

Community Development Financial Institutions (CDFIs):

- Non-profit intermediaries
- Mission-driven
- Financial products and services for economically distressed areas and low-income populations
- Market niche underserved by traditional financial institutions

To search for a CDFI in your community, visit:

- CDFI Fund's [Searchable Database](#) &
- OFN's [CDFI Locator](#)

PA Fresh Food Financing Initiative

A public/partnership to increase access to fresh foods in underserved communities across Pennsylvania.



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Challenges for Food Retail in Low Income Communities

In 2016, the average net profit for
independent grocery retailers = 0.98% of sales

Urban Communities

- Start-Up Costs
 - Employee Training
 - Real Estate Costs
 - Security Costs
- High Density
 - Operating expenses
 - Maintenance expenses
- Reduced grocery gross profit*
 - Lower penetration of high margin departments

**Most applicable to conventional grocery stores*

Rural Communities

Low Density

- Volume
- Product Turn Over
 - Quality
 - Operations
- Purchasing Power

Supply

- Less competition among suppliers
- Irregularities in deliveries

Role of CDFIs in HFFI Programs

- Leverage private capital;
- Provide technical assistance to projects; and
- Channel capital to projects through grants and loans:
 - Requires credit underwriting, loan servicing and portfolio management.



Local and CDFI HFFI Financial Products

Products

- *Grants (when available)*
- Loans
- New Markets Tax Credits

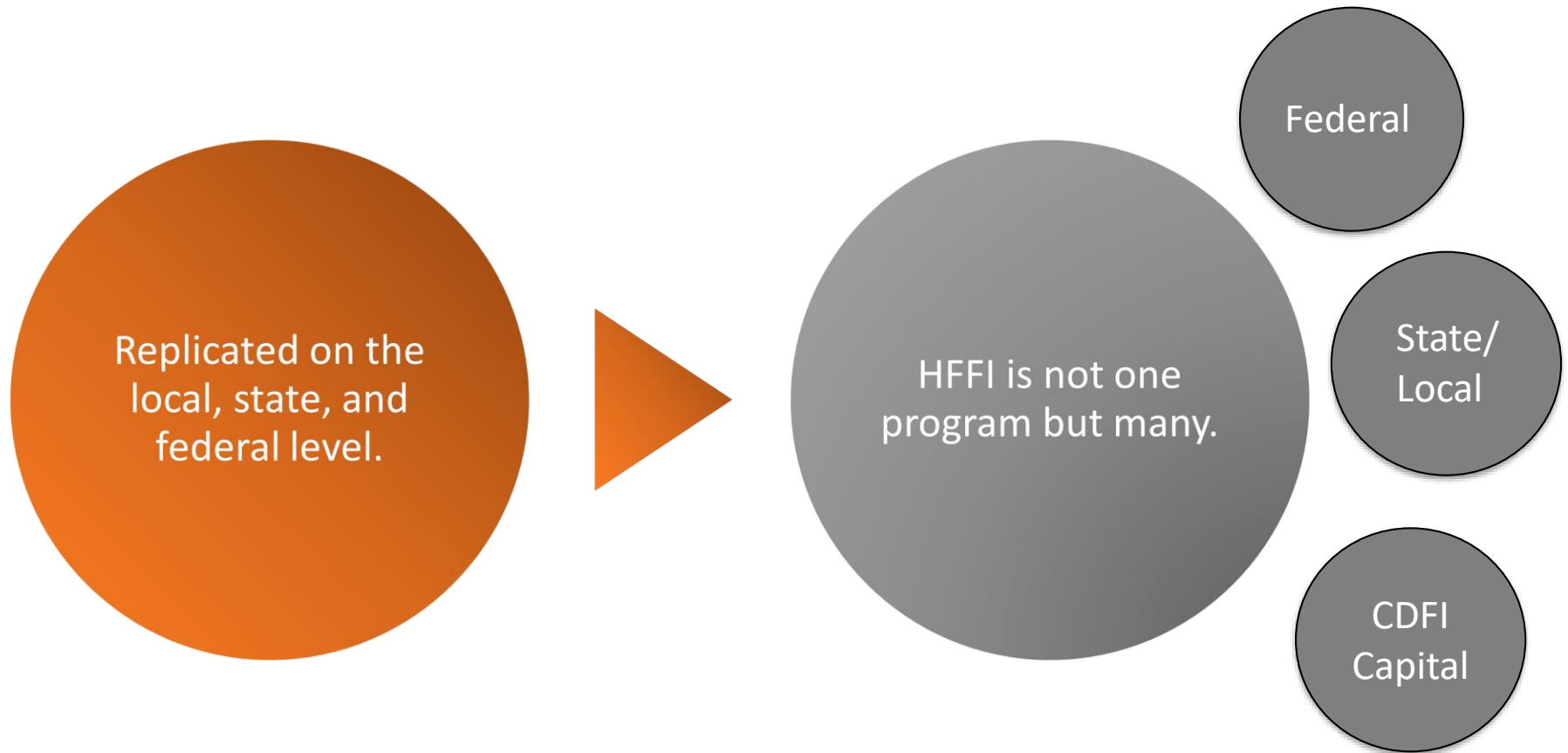
Types of Food Businesses

- Retail
- Distribution/Hubs
- Food Banks
- Production

Uses

- Predevelopment & start-up costs
- Land acquisition
- Leasehold improvements & equipment
- Construction & permanent financing
- Energy efficiency and conservation measures
- Working capital
- Business loans
- *Job training (grant funds)*
- *In-store dieticians (grant funds)*

Healthy Food Financing Landscape



Improving Access: A National Movement

Federal Healthy Food Financing Initiative (HFFI)

- CDFI Fund, U.S. Treasury
 - Grants to CDFIs
- Health and Human Services
 - Grants to CDCs
- U.S. Department of Agriculture
 - National Fund Manager



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HFFI at USDA

- The Healthy Food Financing Initiative (HFFI) was authorized by the Agriculture Act of 2014.
- The program is administered by USDA Rural Development.
- In 2017, Reinvestment Fund was selected as the National Fund Manager through a competitive process to implement HFFI and provide financial and technical assistance to eligible healthy food retail partnerships and projects.

USDA HFFI Inaugural Grants Round (2019)

- Financial and Technical Assistance (\$1.8 million in total)
- Competitive grants round
- Retail projects and partnerships
- Focus on rural and native communities, very low income areas, and innovative models



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