

Colorado Fresh Food Financing Fund

DRCOG Health & Wellness Idea Exchange
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Economic Development & Health Connections





Regional Economic Development

- Regional business attraction & retention
 - Skilled talent is competitive in growing sectors of the U.S. economy
 - Skilled talent Millennials value healthy active lifestyles
 - Denver Metro Area is #1 in attracting skilled talent
 - Businesses benefit from
 - Lower worker absenteeism/increased productivity
 - Lower health insurance premiums
- Local food production, distribution & retail systems help keep money in the local economy while promoting healthier eating.
- Supports & attracts these growing retail niches:
 - Health & wellness related retail such as fitness apparel & sporting goods
 - Farm-to-table and other healthy restaurant formats



Local Economic Development

- Local talent & business attraction & retention
- Recreational amenities increase residential property values & rents
- Maintenance costs can be less for multi-modal road configurations
- Food retail:
 - Anchors ancillary businesses
 - Employs local, low-skilled and difficult-to employ workers
 - Stabilizes/enhances property taxes in a community or neighborhood



Colorado Fresh Food Financing Fund





Purpose

- Provide financing to increase access to healthy food in underserved areas in Colorado
- Economic Development
- Flexible financing through Loans and Grants



Colorado Fresh Food Financing Fund

- A public-private partnership loan and grant fund created to finance grocery stores and other forms of healthy food retail in underserved communities throughout Colorado
- Modeled after the CA and PA Fresh Food Financing Initiative and has been developed to align with the National Healthy Food Financing Initiative

Initial Fund Size: \$20 million

Uses of Capital: Loans and Grants

Capitalization: Debt and Grants

Program Eligibility: Colorado Healthy Food Retailers
Must serve low/moderate income communities with low access to healthy food retail



CO4F Fund Goals

Access



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

**Economic
Development**



Spur **economic development** that supports **healthy communities**

Innovation



Encourage innovation in healthy food retailing and distribution



CO4F Partnerships

Colorado Housing and Finance Authority (CHFA)

- Quasi-governmental agency
- Housing and business lending
- Fund Administrator for CO4F

Progressive Urban Management Associates (PUMA)

- CO4F Food Access Organization
- Healthy Places
- City of Denver

Colorado Enterprise Fund

- Colorado based CDFI and small business lender
- CO4F lender for “small and innovative projects”
- HFFI award recipient



Example Uses of Financing

- Enterprises that enhance fresh & healthy retail food access
 - New construction & renovation of stores
 - “Reopen” a previously closed store
 - Expansion of existing store
 - Equipment purchases
 - Limited working capital for expansion/change of store inventory
 - Transfers of ownership, etc.
- Primary focus is stores offering ingredients for home preparation & consumption rather than just healthy snacks (a.k.a., “corner store conversion”).)



Eligibility Overview - Location

- Statewide - available in urban & rural communities
 - 1) Areas that are underserved by retail food
 - 2) Serves primarily low- to moderate-income community/customers (consider site, trade area, business model)
- “Underserved area”:
 - Below average supermarket density or does not have comparable grocery retail in the trade area
 - National mapping tools (USDA Food Atlas & PolicyMap LSA) are consulted *in conjunction with* other data sources, local government
- Not required to be accessible by public transit



Eligibility Overview - Operations

- Priority is supermarkets, grocery stores, and other year-round retail food delivery systems.
- Alternative retail models may be eligible depending on funding availability (i.e., farmers markets, farm stands, mobile processing & delivery, co-ops, buying clubs, convenience stores, food kiosks.)
- Project results in job creation/retention.
- Offers Supplemental Nutritional Assistance Program (SNAP).
- Locally sourced/organic foods not expected or required.



Process Steps

1. Consultation with CO4F staff
2. Pre-Application – Rolling deadline
3. Full Application – By invitation
4. Underwriting & Structuring
5. CO4F Loan Committee - Commitment
6. Closing



Roles for Local Government

- Informative
 - Offer permit applicants, new enterprise inquiries
 - Outreach to existing enterprises
- Proactive
 - Surveying community needs
 - Establishing food access goals, policies, target areas
 - Site identification for new food retail
 - Zoning compatibility/regulatory relief
 - Permitting assistance
- Partnering
 - Local financing: tax increment, tax waivers, façade grants, etc.



Websites

CO4F including Guidelines & Pre-Application:

www.chfainfo.com/co4f/

Other useful websites:

CHFA: www.chfainfo.com

PUMA: www.pumaworldhq.com

Colorado Enterprise Fund: www.coloradoenterprisefund.org



Contact Information

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Overview - Grants

- Established Food Retail Models (stores, farmer's markets, CSA)
 - Grants to fill a financing gap between debt capacity and project need
 - Approx. 5-15% of project cost, up to \$100,000
- Innovative Food Retail Models (mobile markets, community-based enterprises, TBD)
 - Stand alone grants to establish new replicable models
 - Up to 50% of project cost, up to \$50,000
 - Similar amount invested demonstrated by recipient
- Enterprises should have either a demonstrated success in business operations or, for start-ups, a completed business plan and owner/manager/etc. with related business experience.

CO4F: \$9,050,000
(Foundation: \$6 million
Other funders/leverage: \$3.05 million)



**Individual Project
Enhancement & Leveraging
\$10,950,000**

Term Debt

Innovation Financing

Grants, Subsidy, Match

Loans

Loans

Grants/rate buy down

CDFIs, 504,
NMTC, TIF, SBA,

Grant/Subsidy: CDBG,
Brownfield, TIF, NMTC

Grants

3 Year Goal:

\$20,000,000 Total Project Costs

**Developing New Outlets
for Access**

**Innovative Concepts for
Improving Access**

**Improving Existing
Outlets for Access**