Creating and Enhancing Access to Healthy Food Retail in Your Community: Funding Opportunities for Colorado

Food Systems Toolbox Webinar Series
Thursday April 17th, 2014
1-2 p.m.
WELCOME!

Wendy Peters Moschetti

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Objectives

- To present and discuss diverse options of funding and financing healthy food retail in communities across the state
- To increase awareness of how to apply and where to go for more information
Agenda

Welcome & Background

Presentations:

– Colorado Fresh Food Financing Fund

– Innovative Financing for Healthy Foods Businesses

– USDA Rural Development Lending & Grant Opportunities

Closing Thoughts

Open Q&A
Today’s Presenters

Erica Heller
PUMA

Tim Dolan
Colorado Housing & Finance Authority

Ceyl Prinster
Colorado Enterprise Fund

Pattie Snidow
Colorado USDA Rural Development
Colorado Fresh Food Financing Fund

LiveWell
April 17, 2014
Presenters

Tim Dolan
Senior Commercial Loan Officer
Colorado Housing and Finance Authority (CHFA)

Erica Heller
Senior Associate
Progressive Urban Management Associates (PUMA)
How National Measures of Retail Food Access Map in Colorado
How National Measures Map in Denver Metro area (partial)
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 & PA Fresh Food Financing Initiatives and developed to align with the National Healthy Food Financing Initiative

<table>
<thead>
<tr>
<th><strong>Initial Fund Size:</strong></th>
<th>$20 million</th>
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<tbody>
<tr>
<td><strong>Capitalization:</strong></td>
<td>Debt and Grants</td>
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<tr>
<td><strong>Uses of Capital:</strong></td>
<td>Loans and Grants</td>
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| **Program Eligibility:** | Colorado Healthy Food Retailers  
Must serve low/moderate income communities with low retail access to healthy food retail |
CO4F Fund Goals

Retail Access

Increase retail access to healthy food as a means to improve health

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)**
- Economic & community development consultancy
- CO4F Food Access Organization

**Colorado Enterprise Fund**
- Colorado based CDFI and small business lender
- HFFI award recipient
Example Uses of Financing

- **Enterprises** that enhance fresh & healthy retail food access
  - New construction of stores
  - “Re-open” a previously closed store
  - Expansion & renovation of existing stores
  - Working capital for expansion/change of store inventory
  - Equipment purchases
  - Transfers of ownership
  - Innovative retailing concepts

- Primary focus is **retail stores offering a full range of grocery ingredients** for home preparation & consumption

- The applicant must be the for-profit or non-profit entity that is responsible to repay the loan
Eligibility Overview

• **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

• Enterprises should have
  - Demonstrated success in business operations; or
  - For start-ups, a completed business plan and owner/manager/etc. with related business experience
Overview - Grants

• Established Food Retail Models (stores, farmer’s markets, CSA)
  – Gap Grants fill a financing gap between debt capacity & project need
  – Awarded to loan applicants
  – Approx. 5-15% of project cost
  – Up to $100,000

• Innovative Food Retail Models (mobile markets, community-based enterprises, TBD)
  – May be stand-alone grants to establish new replicable models
  – Up to 50% of project cost
  – Up to $50,000; recipient should demonstrate similar investment
Program Snapshot April 2014

- Launched August 2013
- Statewide marketing through ED & grocer channels
- 100+ borrower inquiries
- 28 pre-applications (eligibility determination)
  - 60/40% mix of metro Denver/other areas
  - 22 met eligibility, full (financing) application invited
    - 5 complete applications submitted to CHFA
      - $750k grant to CEF approved/closed
      - 2 approved, pending closure
      - 2 in review & processing
    - CEF in process with likely CO4F deals
      - 2 submitted applications, in review & processing
- As in other states’, many early applicants are under $200k, seek to enhance an existing store or fund an innovative start-up concept
Roles for Local Government & Other Advocates

• Informative
  – Connect 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
Questions?

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Purpose & Uses

Ceyl Prinster, President & CEO
Colorado Enterprise Fund
Who we are and What we do

We are:

- A Colorado non-profit lending source founded in 1976
- Funded by banks, government entities, foundations, corporations

We provide:

- Financing for small and emerging businesses that are unable to obtain bank loans
- Business Acceleration Services for borrowers at minimal or no cost

To fuel economic opportunity by providing financing and support to entrepreneurs and small business
2014: 18 staff
$33 million loaned since 1990

Average loan size
~ $30,000

Smallest loan = $1,000
Largest = $250,000

400 Loans Under Management in 2013

12 jobs assisted per loan in 2013
98% repayment rate in 2013
our borrowers

- Restaurants
- Breweries
- Salons
- Retail Stores
- Tech Firms
- Manufacturing

Food trucks
- Contractors
- Publishing
- Day Care
- Outdoor Products
- Insurance Agencies

Loans 2013
- 52% start-ups
- 51% women-owned
- 26% minority-owned
purpose of CEF’s Healthy Foods Fund

Ensure all Colorado communities have access to fresh, nutritious and affordable food

- Support businesses that improve retail grocery access

Foster a vibrant local food economy

- Support businesses in all segments of the food system
offering Affordable Financing Statewide

Loan Terms

- loans up to $250,000
- startups and existing businesses are eligible
- rates and terms vary depending on loan size, credit history, and use of funds
- special interest rates for grocery outlets serving lower income populations and limited food-access areas
Loans can be used for:

- working capital
- inventory and equipment
- property improvements
- business purchase
- commercial real estate
- energy efficiency upgrades
providing flexible financing for Innovative Healthy Food Businesses

Types of Businesses

- retail grocery outlets (stores, carts, co-ops, ethnic and farmers markets, trucks, delivery services)
- packaging, processing and manufacturing
- food production and distribution companies
- urban agriculture
- all segments of the food system in rural and urban areas
Examples of approved Healthy Foods businesses

A grocery store
Northern Colorado

- Retail grocery outlet
- Sells high quality, organic, locally-sourced fresh food, packaged food, supplements, and personal care products
examples of approved Healthy Foods businesses

Source Local Foods
Broomfield CO

- Food System Loan
- Distributor of high quality, locally-grown, natural and organic food
- Produce, meats, cheeses, dairy and more
examples of approved Healthy Foods businesses

Solbites (Two Rivers Foods)
Lyons, CO

- Food system loan
- Value-added food product business
- All natural, healthy fruit and nut butter snacks
- Locally sourced ingredients
Questions? Want to learn more?

Contact us. We’re here to help!

phone:

303-860-0242 or toll free 888-554-5539

email:

microloans@coloradoenterprisefund.org

apply online:

www.coloradoenterprisefund.org
USDA Rural Development

Committed to the future of rural communities

Pattie Snidow –
RD Colorado Community & Economic Development Director
Area Director
Our mission is to:

Increase economic opportunity and improve the quality of life for rural Americans.
RD Business and Industry Loan Guarantee Program

Guaranteed Loan through your local bank

Small Businesses or Non-Profits

In Populations less than 50,000
Rural Business Enterprise Grants (RBEG)

Intermediary Relending Program (IRP)

Rural Economic Development Loan and Grant Program (REDLG)
USDA Rural Development
Rural Energy for America Program (REAP)
WHO IS ELIGIBLE?

Rural Small Businesses
- Must be in an area under 50,000
- Meet SBA size standards for small business

OR
- Agriculture Producers
• Grant: 25% of the cost of purchase and installation of equipment on commercial building

• Loan Guarantees may be used to cover the other 75% of the project.
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Community & Economic Development Director
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Questions?
Speaker Contacts

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- Ceyl Prinster - ceyl@coloradoenterprisefund.org
- Pattie Snidow – pattie.snidow@co.usda.gov
Thank You!

LiveWell Colorado Food Systems Toolbox

www.livewellcolorado.org/foodsystems

All webinars are archived here:

www.livewellcolorado.org/livewells-commitment/research-and-publications/webinars