

grants policy

All CO4F financing, including grants, is subject to the CO4F Program Guidelines for project eligibility. Both for-profit and not-for-profit entities may receive grants. The vast majority of the funds in the Colorado Fresh Food Financing Fund (CO4F) are designated by the funders for use as loan capital. A relatively small portion is available as grants, which were included in the fund to achieve specific and targeted purposes.

Many potential applicants want to better understand when and how to pursue CO4F grant funding. This document serves to clarify the grant policies and procedures. There are two types of grant support, targeted respectively toward (1) innovative food retail models and (2) established food retail models.

INNOVATIVE FOOD RETAIL MODELS are eligible for grants to support implementation of potentially replicable, new food retailing and distribution models that reach the hardest-to-serve customers, operate in areas with persistent hurdles to traditional store-based retail food access, or creatively integrate distribution or other aspects of the local food system with retailing.

innovation grants

- May be structured as grant support only, or be complementary to a loan.
- May support up to 50% of innovation project costs, up to \$50,000 per enterprise (i.e., any grants issued will be subtracted from the maximum amount when considering future requests from the same enterprise.)
- CO4F grants seek to support investments that will make an enterprise financially viable over the long term, rather than filling a recurring shortfall in the business model.
- The priority for innovation grants is to support innovative new models of food retailing that create both food access and economic development in situations where a full service, brick-and-mortar store format is not typically viable, such as those that serve:
 - Low- to very low-income customers with appropriate/scaled pricing; or
 - Customers who are regularly unable to travel to a store (a.k.a. “homebound”); or
 - One or more very small rural communities; or
 - An urban area with substantial structural impediments to retail store development.
- Established food retailing models (i.e., stores, farmers markets, produce box distribution, etc.) may be eligible for innovation grants to implement initiatives that develop the ability for the enterprise to effectively serve the areas/customers indicated above.
- Grants may be used for a wide range of activities including pre-development costs, land assembly, relocation, demolition, infrastructure development, construction, renovation, equipment, training, security and inventory management systems, and similar (and as further detailed in the CO4F Program Guidelines.)

- A start-up enterprise seeking CO4F funding should be past the conceptual idea stage as demonstrated through, at a minimum, a completed business plan and basic financial projections including all funding sources. If the grant will support pre-development costs (e.g., permitting costs, professional fees, market analysis, land control), the recipient should demonstrate investment(s) that match the requested grant amount.

ESTABLISHED FOOD RETAIL MODELS (including supermarkets, small grocery stores, neighborhood markets, and other tried-and-true, non-store concepts such as farmers markets and produce box delivery), may be eligible for “gap” grants, as determined by the CO4F loan committee. These grants are made available when there is a need to close relatively small financing gap between the enterprise development costs and its capacity to carry debt.

gap grants

- There is no process to apply for a gap grant; rather it is a determination of the loan committee whether to offer a gap grant to an enterprise that applies for CO4F financing. A gap grant may be offered upon review of a pre-application or full loan application, based on the loan committee’s determination of the need for a grant and in order to advance CO4F program goals.
- Gap grant amounts range from 5-15% of the total project cost, up to \$100,000.
- CO4F grants seek to support investments that will make an enterprise financially viable over the long term, rather than filling a recurring shortfall in the business model.
- CO4F grants may be used for a wide range of activities including land assembly, relocation, demolition, infrastructure development, construction, renovation, equipment, pre-development costs, training, security and inventory management systems, and similar (and as further detailed in the CO4F Program Guidelines.)
- A start-up enterprise seeking CO4F funding must be past the conceptual idea stage as demonstrated through, at a minimum, a completed business plan and basic financial projections including all funding sources. If the grant will support pre-development costs (e.g., permitting costs, professional fees, market analysis, land control), the recipient should demonstrate investment(s) that match the requested grant amount.
- A CO4F gap grant is typically offered as part of a financing package that includes a CO4F loan. In certain instances, a CO4F gap grant may be allowed to instead fill a gap in financing secured from other sources when that funding supports a project that meets CO4F program objectives.

co4f loan and grant application procedures

1. CONSULTATION

CO4F program staff is available to discuss any potential project and its fit with the CO4F program guidelines and granting policies. It is encouraged, though not required, that an applicant have a preliminary consultation with CO4F staff before submitting a pre-application.

2. PRE-APPLICATION

The pre-application is used to determine whether proposed use(s) of CO4F financing fit within the program guidelines before any parties invest significant time and effort in preparation and review of a full application.

- Complete a CO4F pre-application form to determine project fit with program guidelines.
- CO4F pre-applications are accepted on a rolling basis.
- If applying for an innovation grant, include a description, up to 1 page, of how the project meets the criteria for innovation grants, above.
- If applying for a loan, indicate any elements of the proposed project that are considered to be contingent on gap grant support.
- A site-visit may be conducted as part of the eligibility determination.
- Determination of program eligibility is not a guarantee of funding.
- The fund administrator, CHFA, makes the official determination of CO4F program eligibility.

3. FULL APPLICATION

Only if invited, complete a full application using forms as provided by CHFA.

- Follow any tailored instructions that may be sent with the invitation to apply.
- CHFA will review the application and make a recommendation to the CO4F loan committee.
- Upon review of the full application and recommendation, the CO4F loan committee will determine whether to offer the enterprise a grant and if so, in what amount, for what specific purpose; and whether to offer a loan at what terms. The committee will approve or deny a specific financing package (of debt and/or grant funds) to be offered to the enterprise.
- Documents will contain legal provisions for return of the funds if they are not utilized as intended.
- The enterprise owner chooses whether to accept the approved financing package.

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