EXECUTIVE SUMMARY

Dedicated to addressing obesity as a major health issue for Coloradans, the Colorado Health Foundation commissioned a study in 2009 on supermarket access that mapped the locations of supermarket sales, income, and diet-related mortality data which demonstrated that communities with poor access to supermarkets have a higher incidence of diet-related deaths. To address this need, the Denver Food Access Task Force developed nine policy recommendations as a comprehensive approach to improve the availability of healthy and affordable food in underserved communities through the development of new supermarkets and other outlets for healthy food retail. As part of the Task Force’s policy recommendations to drive change at both the state and local levels, the Colorado Fresh Food Financing Fund (CO4F) was created as a statewide fund to provide low cost capital to the food retail market to expand access or create new access in underserved areas.

CO4F was officially launched in 2013 as a public-private partnership loan and grant fund to finance grocery stores and other forms of healthy food retail in underserved communities throughout Colorado. CO4F was initially capitalized with $8.3 million in program related investments (PRI) and grants and is working towards leveraging additional dollars from other financial sources (i.e., bank loans, additional grants, owner’s contributions) to generate $20 million in project costs. Colorado Housing and Finance Authority (CHFA) is the fund administrator and manages loans generally over $150K and grants, while the Colorado Enterprise Fund manages loans generally less than $150K. Progressive Urban Management Associates (P.U.M.A.) serves as the food access organization, providing outreach and marketing to potential operators as well as to economic development and planning professionals.

The goals of CO4F are to:

- Improve retail access to fresh and healthy foods
- Encourage economic development in low- to moderate-income neighborhoods
- Provide attainable financing to food retail outlets that improve food access
- Partner with local governments when possible to enhance the benefits and success
- Develop a Colorado model based upon national best practices

In March 2015, The Sarah Samuels Center for Public Health Research & Evaluation (Samuels Center) was contracted by CHFA to assess the influence of CO4F on increasing access to healthy food in underserved communities. To this end, Samuels Center worked closely with CO4F stakeholders to design a mixed-method evaluation to answer the following evaluation questions:

1) What are the key learnings emerging from the implementation of CO4F?
2) How influential is CO4F in increasing access to healthy food in communities with participating retailers?
3) What influence is CO4F having on changing perceptions about accessibility of healthy food and food purchase patterns in underserved communities?
4) What impact does CO4F have on participating retailers?
5) How feasible is replicability and sustainability of this particular model?

The evaluation assessed ten retail-type CO4F investments using in-depth key informant interviews with CO4F key partners and the loan/grant recipients, surveys with store shoppers, and review documents of the pipeline report. The evaluation timeline spanned from March 2015 through November 2016.
As of March 2017, 15 transactions impacting 21 retail establishments and one Community Development Financial Institution (CDFI) were funded by CHFA for a total of $2,381,018. Of this total, $1,515,400 were grant dollars, and $865,618 were deployed as loans. It is estimated that 143 jobs were created and 125 retained due to these investments. Investments were used for a variety of support, such as for infrastructure, i.e., renovations and equipment purchases, loan refinancing and gap grants used to open stores or to keep existing stores in operation, and to increase and/or improve their inventory. For Colorado Enterprise Fund, as of December 2016, an additional 14 loans were funded for a total of $670,568.

**EVALUATION KEY TAKEAWAYS**

**Aim #1: Key Learnings from the Implementation of CO4F**

- To date, all key stakeholders are pleased with progress of the fund as new stores have been opened or maintained, innovative practices have been established, and it is reaching both urban and rural locations, thereby meeting its goal of being a statewide fund.
- Launching a fresh food financing fund is no small endeavor and because of its complexity, time and patience is needed not only in preparation for deployment, but also to allow time for identifying and preparing applicants to be loan-ready.
- Grant funding was recognized as important in leveraging loan funding and is an essential component of fresh food financing initiatives.
- Assemble a diverse partnership to design, implement, and manage the program. CO4F key partners brought diverse and complementary skills and resources that were essential to CO4F’s success.
- Have a strategic plan for marketing for ongoing promotion and sustainability.

**Aim #2: Influence of CO4F on Increasing Access to Healthy Food**

- Findings from both the shopper surveys and interviews with store owners indicate that the CO4F stores are accessible and are providing access to healthy and affordable food for their respective shoppers, particularly those in the lowest income group and those living in rural areas, where resources are often limited.
- Store owners feel that they are not only providing healthy food and creating jobs, but are also contributing to greater social cohesiveness in their community.
- Several store owners reported positively impacting their community around personal safety issues.
- Store owners feel that the changes they made with CO4F funding have helped to revitalize the neighborhood and are encouraging local buying, thereby preventing "leakage."

**Aim #3: Influence of CO4F on Changing Perceptions about Accessibility of Healthy Food and Food Purchase Patterns**

- Findings indicate that most shoppers had difficulty accessing healthy food before the CO4F investment. After changes to the CO4F store, shoppers reported having better access to healthy food, and have increased their purchase of healthier items, particularly for those in the lowest income group and those living in rural areas.
Aim #4: Impact of CO4F on Participating Retailers

- CO4F has positively impacted the store owners. Partnering with CO4F was instrumental in enabling them to be a valuable resource for their community.
- Store owners report an outpouring of support and positive responses from their respective community.
- Response from other nearby markets has also been positive and has stirred interest from others about CO4F funding, which is a good opportunity for CO4F to reach more applicants.
- Some store owners are looked upon as role models by their peers.

Aim #5: Replicability and Sustainability of CO4F

- Leverage more funding, particularly from the private sector.
- Dedicate funding and resources for training and technical assistance to build the business capacity of applicants.
- Develop a mentor program and/or grocery incubator whereby experienced operators can train new or inexperienced retailers.
- Have a thorough understanding of the market, as this will drive the implementation of the fund program.
- Store owners’ advice to those interested in working with CO4F was to pursue CO4F funding with a strong vision and business plan. They also advise having a strong commitment for the retail food business because food retail work is about building a long-term relationship with the community.

The evaluation findings show promising results that the CO4F investments of these ten stores are positively impacting access to healthy food for underserved communities as well as the store owners. What is especially noteworthy is that CO4F is serving those most in need, particularly shoppers in the lowest income groups and for those in the rural communities. Other important social factors were also revealed. Store owners have positioned themselves as an anchor in the community, where they have been able to create jobs, prevent leakage, and engage with community members in an effort to build social cohesion, which may have positive residual effects in deterring crime and increasing community safety.

Finally, placing Colorado within the national context shows that Colorado is faring well. The 143 total number of jobs created and 125 jobs retained alongside the 134,000 square feet of retail space created/retained represents a sizable achievement relative to other programs. For example, the Pennsylvania program at its completion created 5,000 jobs and 1.67 million feet of commercial retail space with a pool of funding of $190 million. While the scope and timing of programs are different, though if comparing the investment per job, in Pennsylvania is $38,000 and in Colorado is $16,643. Similarly, the investment per square foot of additional store space in Pennsylvania was $114 but in Colorado was $18. Such findings suggest efficiencies on the part of the Colorado model.

Evaluations of fresh food financing initiatives are unfortunately limited. From the evaluation findings that do exist, including Colorado’s, operationalizing the key learnings is important and sharing the lessons learned with the broader fresh food access community - CDFIs, researchers, food access partners, grocer industries, and community members - is needed for sustainability and growth.