

# colorado fresh food financing fund

## CO4F Executive Summary





## CO4F Working Group

Colorado Health Foundation  
Colorado Housing and Finance Authority  
Denver Department of Environmental Health  
Denver Office of Economic Development  
Community Enterprise Fund  
Mile High Community Loan Fund  
Rocky Mountain Farmers Union

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## Introduction & Overview

The Denver Food Access Task Force is dedicated to improving the quality and availability of affordable and nutritious food in parts of Denver with the greatest need. The Task Force includes representatives of the state's major grocers, economic development professionals, and food security advocates.

In fall of 2011, the Task Force released a report, *Healthy Food for All: Encouraging Grocery Investment in Colorado*, which outlined policy recommendations to improve access to affordable, healthy food and stimulate economic development in Denver and throughout Colorado. They were:

- To enhance systems in Denver to support healthy food retail development in underserved areas.
- To establish a fresh food financing fund to provide access to capital for developing supermarkets and grocery stores.
- To improve the participation rate among Coloradans eligible for the Supplemental Nutrition Assistance Program (SNAP).

In accordance with the recommendations, the Colorado Fresh Food Financing Fund (CO4F) working group was formed to explore ways to implement the recommendations of the Task Force. This working group is designed to help enhance food delivery systems and remove financial obstacles from the construction, expansion, and renovation of grocery stores in underserved areas of Colorado.

Fresh food access is a topic that has recently gained considerable attention in the national news media, spurred in part by appropriations from the national Healthy Food Financing Initiative (HFFI) grants. These initiatives emphasize that one element of tackling the problems of obesity and other food-related illnesses is ensuring that all people have access to fresh, healthy foods in their neighborhoods.

## Why Invest?

The Denver Food Access Task Force found compelling health and economic reasons for expanding access to grocery retailers in underserved, low-income communities in Colorado. Several studies have demonstrated food access challenges in our state. Too many Coloradans lack sufficient access to healthy, affordable food. The resulting lack of healthy affordable food imposes a significant toll on many of our communities and undermines the health and well-being of children, families, and communities.

By participating in CO4F, you will contribute to strengthening communities throughout Colorado that support health, economic development, and growth. CO4F provides an opportunity for potential investors to spur innovation and growth in fresh food retailing and to achieve positive returns for Colorado.

## Goals

The CO4F aims to:

- Improve retail access to fresh and healthy foods among low- to moderate-income Coloradans.
- Achieve positive economic development benefits, particularly in low- to moderate-income neighborhoods.
- Provide attainable financing to food retail outlets that will promote more and better food access.
- Partner with local governments when possible to enhance the benefits and success of funded projects.
- Develop a Colorado model based upon national best practices in order to create an efficient and well used fund.

## Organizational Structure

The CO4F will be overseen by a volunteer Policy Advisory Board and implemented by several key entities. The structure is based on national best practices.

- Funders

Funding is being sought from a variety of foundation and for-profit funding entities. Pending a decision of its Board of Directors, the Colorado Health Foundation is likely to be the initiating fund investor.

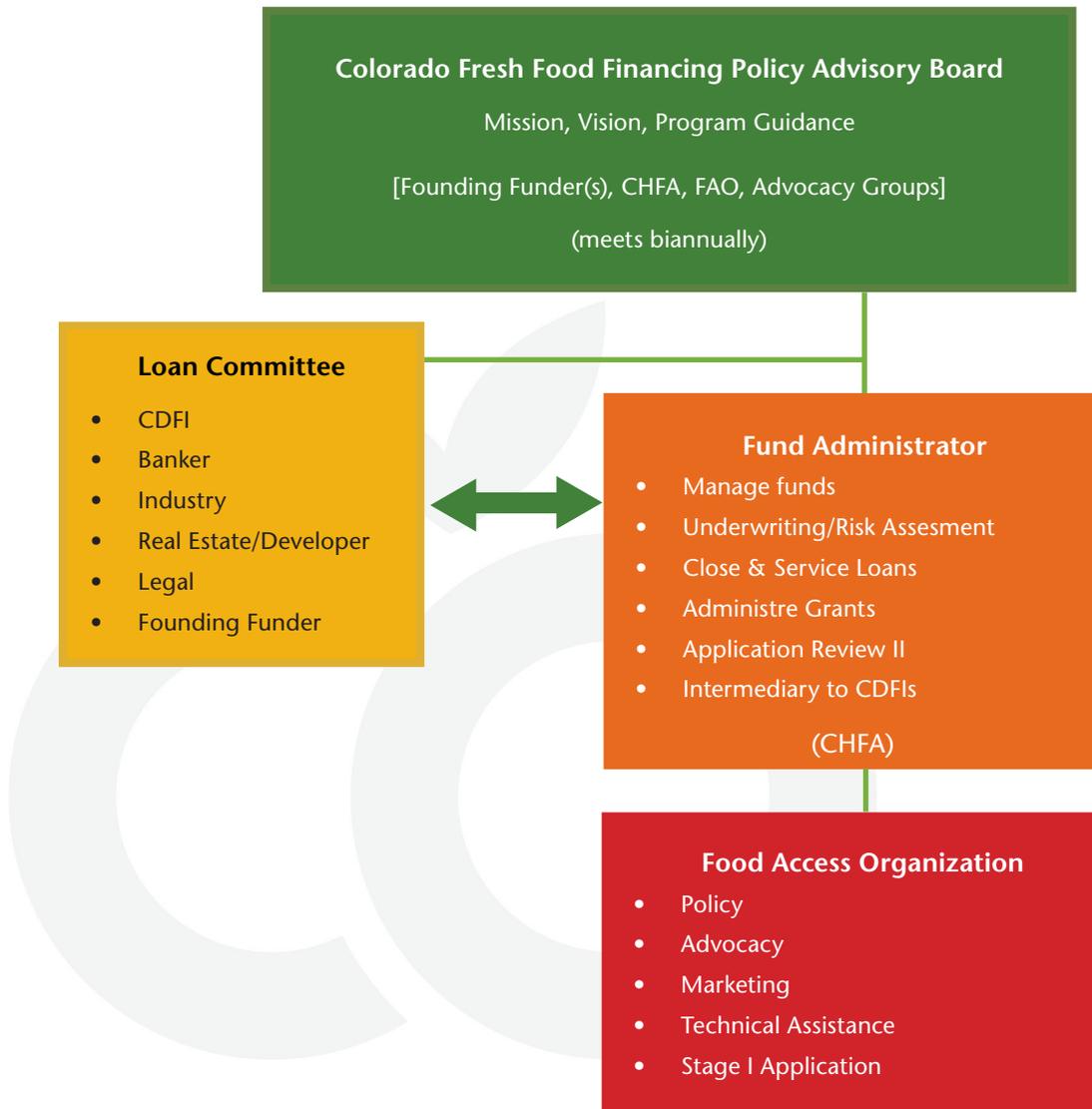
- The Fund Administrator

Colorado Housing & Finance Authority (CHFA), a political subdivision of the state, was created in 1973 by the Colorado Legislature to address the shortage of affordable housing in Colorado. In 1982, it began making loans to small- and medium-sized businesses. CHFA is responsible for awarding the state's annual allocation of Low Income Tax Credits and also has a Contract Services division that manages three mission-related revolving loan funds to promote energy efficiency and renewable energy, voluntary clean-up of contaminated properties, and historic building preservation activities. CHFA will serve as the fund administrator, managing a loan committee and overseeing the Fund and all lending activities. CHFA will report to the Policy Advisory Board.

- The Food Access Organization (FAO)

An individual, firm, or organization is being sought to develop the FAO through a request for qualifications process. The FAO is anticipated to provide a variety of skills and resources that are outlined in more detail below. The FAO will report to CHFA on day-to-day matters and will ultimately answer to the Policy Advisory Board.

# CO4F Organization Structure



## Eligibility Requirements

In general, CO4F projects should meet the following minimum requirements:

- Applicants should have retail grocery business experience or other applicable business experience.
- Priority will be given to supermarkets, grocery stores, and food delivery systems that impact underserved areas. However, innovative methods, including farmers markets, farm stands, mobile processing and delivery units, co-ops, buying clubs, convenience stores, food kiosks, and other food delivery systems will be considered.
- Projects must be located in an underserved area that primarily serves a low-to moderate-income community.
- Encourage job creation or retention in the community.
- Loan proceeds must be used for projects located in Colorado.
- All projects financed through CO4F must accept SNAP and WIC (Women, Infants, & Children) benefits.

## Eligible Activities of Grant vs. Loans

### *Grants*

Grants may not exceed a maximum of \$100,000 per project and may be used for predevelopment, land assembly, capital, soft costs, pre-operating, or construction. Projects involving innovative methods of healthy food access may be eligible for grants for various uses.

### *Loans*

Loans may not exceed a maximum of \$1.5 million per project and will be made where conventional financial institutions either do not offer financing, or the conventional financing offered is insufficient.

# Fund Structure

