

Healthy Food for Ohio

Frequently Asked Questions

PROGRAM OVERVIEW

What is the Healthy Food for Ohio (HFFO) program?

The Healthy Food for Ohio (HFFO) program is a public-private partnership that provides loans, forgivable loans and grants to food retailers developing new or renovating existing fresh food retail in underserved communities throughout Ohio. The program helps to overcome funding gaps and barriers faced by food retailers operating in low- to moderate-income areas and will help finance costs and fill credit needs not typically addressed by traditional financial institutions. The HFFO program aims to increase access to affordable, fresh food and increase quality employment opportunities in underserved areas, improving health and encouraging economic development in Ohio's communities.

PROJECT ELIGIBILITY

What projects are eligible?

Eligible food retail projects must expand fresh food offerings in underserved neighborhoods and fit local community needs. Eligible applicants include a wide range of retailers, including grocery chains, individual grocery stores, neighborhood food stores, co-ops and other food projects such as farmers' markets and food hubs. Underserved areas are defined as census tracts with a substantial share of residents who live in low- to moderate-income areas that have low levels of access to a grocery store or healthy, affordable food retail outlet. All applicants are strongly encouraged to accept SNAP and WIC benefits. The applicant (or members of their management team) must also demonstrate capacity and experience managing a grocery store or fresh food retail outlet that is similar to the proposed project. For more information on eligibility criteria and the application process, please see program guidelines at: www.financefund.org.

Can an existing grocery store or project apply?

Yes. An existing grocery retail outlet may apply if it plans to substantially improve the store's ability to stock and sell a variety of non-prepared foods, or food products intended for home preparation, consumption and utilization.

Is there a minimum store size?

There is no minimum store size, as long as the store demonstrates a commitment to providing fresh fruits and vegetables and meets other program guidelines. It is suggested that a significant section of the store be dedicated to the sale of fresh produce.

How are projects selected and prioritized for funding?

Applicants will be evaluated on a rolling basis while funds remain available. The HFFO program will not select the location of projects, but rather, Finance Fund Capital Corporation (FCAP) will be working with community leaders across the state to broadly promote the program and encourage applications for sites that have been selected by applicants. As applications come in, program staff will use the methodology described in the Program Guidelines (found at www.financefund.org) to assess whether the proposed project meets program goals.

Certain criteria can increase consideration and lead to prioritization of projects, especially for grant or forgivable loan funds, such as: local hiring practices and living wages, local food sourcing and sound land use practices, coordination with other community development initiatives, and a significant positive impact on economic conditions in a distressed area. The HFFO program strives for a wide geographic reach across rural and urban areas throughout Ohio.

TYPES AND USES OF FUNDS

What funds are available?

The HFFO program provides loans, forgivable loans and grants. Grants or forgivable loans are subject to available sources within this program at the time of consideration.

- Loans: Up to \$5 million and 10 years
- Forgivable loans: Available up to 20% of funds provided by HFFO
- Grants: Up to \$250,000 with exception for Extraordinary Awards

Financing packages will be structured for each project on a case-by-case basis. Applicants should refer to the Program Guidelines for more information, available at www.financefund.org.

What are permitted uses of HFFO funds?

HFFO funds are intended to cover expenses that may otherwise be barriers to healthy food retail development. Loans will fund costs associated with real estate acquisition, predevelopment, construction or rehabilitation, equipment, and infrastructure. Grants from the HFFO program may also be used for predevelopment costs (including market studies, appraisals and deposits), land assembly and remediation, construction, equipment, infrastructure improvement, energy-related investments, staff-training and security enhancements. Please see the Program Guidelines, available at www.financefund.org, for more permitted uses of funds.

What are forgivable loans?

Forgivable loans are loans with subsidized interest rates and debt that may not need to be paid back, pursuant to certain conditions. Loan forgiveness may be considered and/or awarded for designated projects as part of their financing package.

How can a project qualify for a forgivable loan?

To receive a forgivable loan, Applicants must submit a narrative that demonstrates the need for a forgivable loan with a subsidized interest rate. The project must meet the objectives of the HFFO program by providing access to healthy foods to an underserved, low- to moderate-income community. The project must also meet other standard underwriting criteria, as outlined in the Program Guidelines.

What are the expectations set with a forgivable loan?

Retailers who are deemed eligible to receive a forgivable loan must continue to comply with Program Guidelines and will be evaluated annually to determine if the project is meeting the goals and objectives of the HFFO program. If the project no longer meets the goals of the program, the remaining balance of the forgivable loan must be repaid.

APPLICATION PROCESS

How does the application process work?

Applying for financing from the HFFO program is a two-step process: eligibility determination and financial approval. First, the Applicant must complete the Pre-Application to determine whether the proposed site is consistent with the objectives of the program. Applicants should complete the Pre-Application (found at www.financefund.org) and submit it to FCAP. FCAP will work to determine if the Applicant is eligible to apply for funding from the program. If eligible, the Applicant will then receive and should submit the Application for Financing to FCAP, which underwrites the financing for projects. Applications are reviewed on a rolling basis, so we encourage interested applicants to apply as soon as possible.

WHY THE PROGRAM IS NECESSARY

How serious is the fresh food access problem in Ohio?

The lack of access to healthy, affordable food is a critical problem for too many communities in Ohio. Nearly one million Ohio residents live in areas that are lower-income, have limited access to grocery stores, and also suffer from higher rates of death from diet-related disease. Grocery stores are unevenly distributed throughout the state, and many people have to travel excessive distances to buy fresh food. All types of communities, ranging from urban to rural, are affected by this issue in Ohio. In lower-income areas, many residents do not own cars, and in most rural areas, public transportation is not an option.

What are the impacts of a lack of access to healthy foods?

The lack of access to affordable and nutritious food has negative health and economic impacts. A growing body of research indicates that people who live in communities without a supermarket suffer from disproportionately high rates of diet-related health problems, such as diabetes and heart disease, and this not only causes suffering among Ohio residents, but also reduces workforce productivity and increases health care costs. Communities without healthy food retail miss out on crucial economic benefits, as well, since grocery stores spark revitalization and create jobs in communities that need them the most.

Why aren't stores already locating in these communities?

While it has been demonstrated that there is demand for high quality, nutritious and affordable foods in underserved communities, significant barriers to entry exist in these communities, including lack of access to sufficient capital, costly site assembly, higher development costs, and more expensive workforce development needs. The lack of grocery stores in many lower-income urban and rural communities represents a market failure that can be addressed through one time grant and loan funding to help offset the higher costs of locating in these places. There is evidence that when retailers have assistance with these initial start-up costs, they will locate in underserved communities and are able to run successful businesses.

What is the consensus among leading public health experts about this issue?

Leading public health experts agree that increasing access to supermarkets and other stores selling healthy, affordable foods in underserved communities is critical to the health outcomes of residents.

With additional questions, please contact:

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