

# California FreshWorks Fund

**What?** The California FreshWorks Fund (CAFWF) is a public-private partnership loan fund created to (1) increase access to healthy food in underserved communities; (2) spur economic development that supports healthy communities; and (3) inspire innovation in healthy food retailing. The targeted \$200 million fund will finance grocery stores and other forms of healthy food retail and distribution by providing a combination of loan and grant financing to eligible applicants. The CAFWF is modeled after the successful Pennsylvania Fresh Food Financing Initiative and developed to align with the National Healthy Food Financing Initiative (NHFFI). In his fiscal year 2011 budget proposal, President Barack Obama called for a \$345 million investment in the NHFFI.

Program Partners include:

-  **Investors (Debt/Grants):** The California Endowment, NCB Capital Impact, The Calvert Foundation, Catholic Healthcare West, Kaiser Permanente
-  **Industry:** Unified Grocers, California Grocers Association
-  **Nonprofit:** PolicyLink, Community Health Councils, Emerging Markets, Social Compact
-  **Government:** State of California, USDA California Office of Rural Development, CRA/LA

**Why?** In 2008, The California Endowment made the decision to enhance its Building Healthy Communities mission with Mission Investments. The CAFWF is among the first of those investments and is a new financial vehicle that will leverage the impact of The Endowment's investments and grant dollars by attracting additional investors and funders. It will provide a tested, scalable solution to the problem of food deserts that will improve health, spark economic development, and help transform underserved communities into communities of opportunity.

**How?** The Fund will be capitalized with a combination of debt and grant capital. Currently there is \$96.5 million committed comprised of \$93.5 million in debt and \$3 million in grants. The goal is to capitalize the fund with a total of \$200 million.

Of this, The California Endowment has committed up to a \$30 million mission-related investment on the debt side and \$3 million in grant dollars. The partners are working with major foundations, both corporate and private, in hopes of raising additional grants. At this time, there are no government funds in the program.

Details on how to access the fund and apply for resources will be available soon. For additional information, please see [www.ncbcapitalimpact.org/healthyfoods](http://www.ncbcapitalimpact.org/healthyfoods)

# Healthy Food. Closer To Home.



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## What the California FreshWorks Fund can mean for our state:

### Access to Healthier Food

In California, adults in neighborhoods with low access to healthy food options are 20% more likely to be obese than those with high access to healthy foods. Each year in California, obesity causes thousands of deaths and costs families, employers, the healthcare industry, and government more than \$6 billion.

### New Jobs

24.3 new jobs are created on average for every 10,000 square feet of retail grocery space. Typical grocery stores range in size from 20,000 to 50,000 square feet.

### Improved Property Values

An assessment of a similar initiative in Philadelphia found that home values increased by 4 to 7% in neighborhoods with new grocery stores. Grocery stores also typically serve as anchors to other commercial development.

### Increased Tax Revenue

Increased retail activity, employment, and property value leads to increased sales, income and property tax revenue, helping relieve pressures on state and local budgets.



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