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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing

# Welcome

The Broadcast will begin at 2:00 PM (Eastern)



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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing Moderator



# Ariel Miller Manager, Research & Technical Assistance Council of Development Finance Agencies

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#### **Legal Disclaimer**

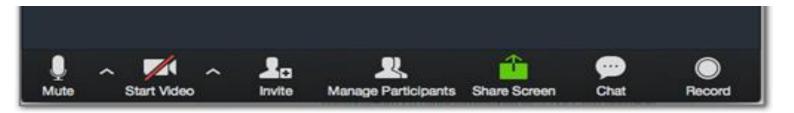
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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing

Submit your questions to the panel.







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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing Panelists



John Miklozek
Director, Grants Division
Agricultural Marketing Service
U.S. Department of Agriculture



Erik Pechuekonis
Community Planning & Development
Specialist, Section 108
U.S. Department of Housing & Urban
Development



Seema Thomas
Deputy Director, Section 108
U.S. Department of Housing &
Urban Development



**Debra Tropp**Principal
Debra Tropp Consulting

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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing Panelist



John Miklozek
Director, Grants Division
Agricultural Marketing Service
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### Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

## AMS Grant Opportunities

Preserving Local Food Systems with Federal Financing

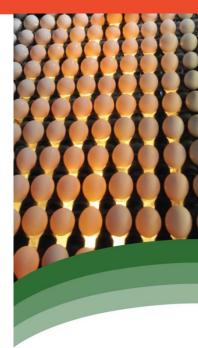
John Miklozek

Director, Grants Division

#### **Grants Division**

- 15 Grant Programs
- > 40,000 Grant Agreements
- \$1.4 Billion
- 59 Staff
- 3 Branches





### Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

#### Local Agriculture Market Program

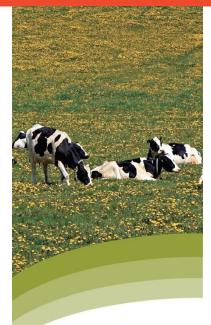
- Farmers Market and Local Food Promotion Program
- Regional Food Systems Partnerships

#### **USDA Rural Development**

Value Added Producer Grants

# Farmers Market and Local Food Promotion Program

- Two Components:
  - Farmers Market Promotion Program
  - Local Food Promotion Program





- Focus on Strengthening Local and Regional Food Systems
- 25 Percent Cash or In-Kind Match
- 3-Year Projects

## Funding Opportunities

Farmers Market Promotion Program	Local Food Promotion Program
Develop, coordinate and expand direct producer-to- consumer markets	Develop, coordinate and expand local and regional food business enterprises that engage as intermediaries in indirect producer to consumer marketing
<ul><li>Project Types</li><li>Capacity Building (\$50K to \$250K)</li><li>Training &amp; Technical Assistance (\$100K to \$500K)</li></ul>	<ul><li>Project Types</li><li>Planning (\$25K to \$100K)</li><li>Implementation (\$100K to \$500K)</li></ul>

#### Eligible Entities

- Agricultural Businesses and Cooperatives
- CSA Networks and Associations
- Food Councils
- Economic Development Corporations
- Local Governments

- Nonprofit and Public Benefit Corporations
- Producer Networks and Associations
- Regional Farmers' Market Authorities
- Tribal Governments

### Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

#### SEEDS OF SUCCESS

Farmers Market and Local Food Promotion Program

#### **AgLink**

Funding Year	Amount
2017	\$378,480

Improving and Expanding the Availability of Local Produce to School Food Service Agencies

- Local Food Promotion Program
- Improve sales to schools through networking and educating
- Expand Management Staffing to provide local food to schools

#### Farm Commons

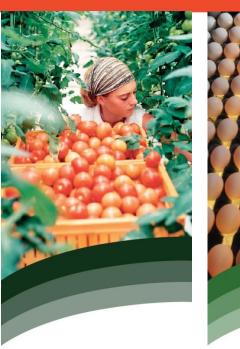
Funding Year	Amount
2016	\$228,224

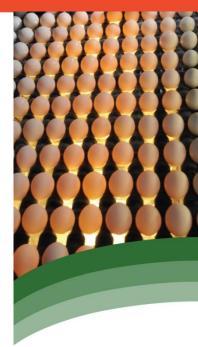
Empowering Direct-to-Consumer Farmers with Legal Education

- Farmers Market Promotion Program
- Provide Direct to Consumer Farms with Legal Education and Training
- Held 18 Direct to Consumer Farm Law 101 Workshops

# Regional Food Systems Partnerships

- Plan and Develop Local or Regional Food Systems
- Brings together Public and Private Resources
- 25 Percent <u>Cash</u> Match
- 3-Year Projects





#### RFSP Continued...

- Project Types
  - Planning & Design (\$100K to \$250K)
  - Implementation & Expansion (\$250K to \$1M)
- Applications must have at least one Eligible Entity and one Eligible Partner

### Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

#### SEEDS OF SUCCESS

Regional Food Systems Partnerships

#### Valley Family Health Care

Funding Year	Amount
2021	\$203,590

#### Western Treasure Valley Food Systems Partnership

- Planning and Design Project
- Conduct a feasibility study and business plan to increase regional capacity for food processing and distribution
- Partnership spans from southeastern Oregon to western Idaho

### Specialty Crop Block Grant Program

- Enhance the Competitiveness of Specialty Crops
- State Agencies of Agriculture are Eligible



 Allocations Based on the Average of the most Recent Specialty Crop Cash Receipt and Acreage Devoted Data

#### SCBGP Continued...

- States Conduct Outreach to Establish Priorities
- States Competitively Bid Funds to Issue Subawards
- 3-Year Agreements

### Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

#### SEEDS OF SUCCESS

Specialty Crop Block Grant Program

# Illinois Department of Agriculture

Funding Year	Amount
2020	\$591,473

Subrecipient: Illinois Farmers Market Association

Subaward Amount: \$76,550

- Conduct trainings for specialty crop producers and farmers market managers
- Focus on professional development and post-pandemic producer-to-consumer local food systems

Please let me know if you have any questions.

John Miklozek

202-720-1403

John.Miklozek@usda.gov

www.ams.usda.gov/grants



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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing Panelist



**Seema Thomas** 

Deputy Director, Section 108 U.S. Department of Housing and Urban Development



#### **Erik Pechuekonis**

Community Planning and Development Specialist, Section 108 U.S. Department of Housing and Urban Development



#### **CDFA Preserving Local Food Systems**

**CDBG Section 108 Loan Guarantee Program** 

U.S. Department of Housing and Urban Development







- Employs the programmatic framework of the CDBG Program
- Provides <u>loan guarantees</u>, not grants
- Offers recipients a non-competitive means of accessing lower interest rates
  - Variable Rate Financing: 3-month Treasury Bill Auction Rate + 35 bps = 0.055% + 0.35% = **0.405%** on 12/8/2021
- Dedicated staff willing to provide 1-on-1 Technical Assistance

#### **Types of Section 108 projects**



# Economic Development

Central Business District Support Retail/Office and Manufacturing

Small Business Financing

**Business Retention** 

Housing



Loan Funds for Third Party Developers

Adaptive Reuse

Supporting New Housing Construction Rehab of private housing stock and public housing



Public Facilities

**Community Centers** 

Park Upgrades

Hospitals

Gov't Bldgs serving Residents

Infrastructure



Water & Sanitation

Streets, Curbs and Gutter Improvements

Broadband Line Extensions

Devastated Landscapes

Source: Code of Federal Regulations (CFR) §570.703 Eligible Activities

#### Scale of Section 108 Projects

Solar Panel
Systems

Rehab of Affordable Housing

Remediation and New Construction

Sidewalk and Curb Improvement

Construction of Community Centers

Acquisition, Clearance

Park Upgrades

Cooperative Development

Multi-use Anchor

**Incremental Improvements** 

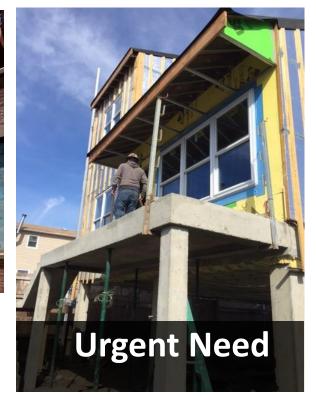
Substantial Project

Transformational Initiative

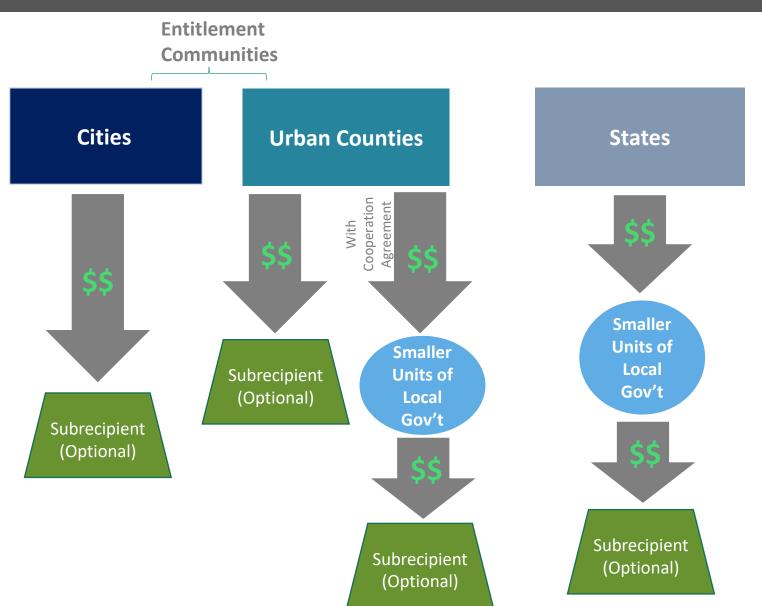
#### **CDBG National Objectives**







#### Who has access to CDBG & Section 108 funds?



Subrecipient entities and other partners **may** receive Section 108 funds directly if they are public agencies

#### Examples

- ✓ economic development
- ✓ public housing authorities
- ✓ community development corporations
- ✓ non-profits

<sup>\*</sup> Non-entitlement communities in Hawaii and Insular Areas receive CDBG funds as well

#### **Section 108 Borrowing Capacity**

Annual CDBG Allocation
Max available borrowing capacity
Outstanding 108 commitments
Outstanding 108 loan balance
Available borrowing capacity

```
$3,000,000
x 5 = $15,000,000
- $800,000
- $2,000,000
= $12,200,000
```

Or you can just look on our website here:

https://www.hudexchange.info/resource/5197/current-availability-of-section-108-financing-cdbg-entitlement-and-state-grantees/

#### **Approaches to using Section 108**

#### **Project Specific:**

- Application is for a specific project or projects
- Requires a high level of project detail & specificity for financial underwriting by HUD Headquarters

#### Loan Fund:

- Application describes type of loan fund projects to be funded along with the community's underwriting process
- Individual projects must have a Field Office determination letter to funds to be drawn





## Stages for Section 108 Deployment

## Preparation/ Predevelopment

#### **Implementation**

Acquisition

**Demolition** 

Site prep & remediation

Relocation costs

Rehab Structure for Housing

Machinery & equipment

Working capital

Infrastructure + improvements





### **PROGRAM**

**Standard CDBG Requirements** 

Eligible Activities
National Objective
Public Benefit Standards
Crosscutting Requirements

Financial Requirements

Program Requirements

### **FINANCIAL**

### Repayment

- CDBG
- Third party loan proceeds
- Parking revenue
- Tax increment financing revenue

#### **Collateral**

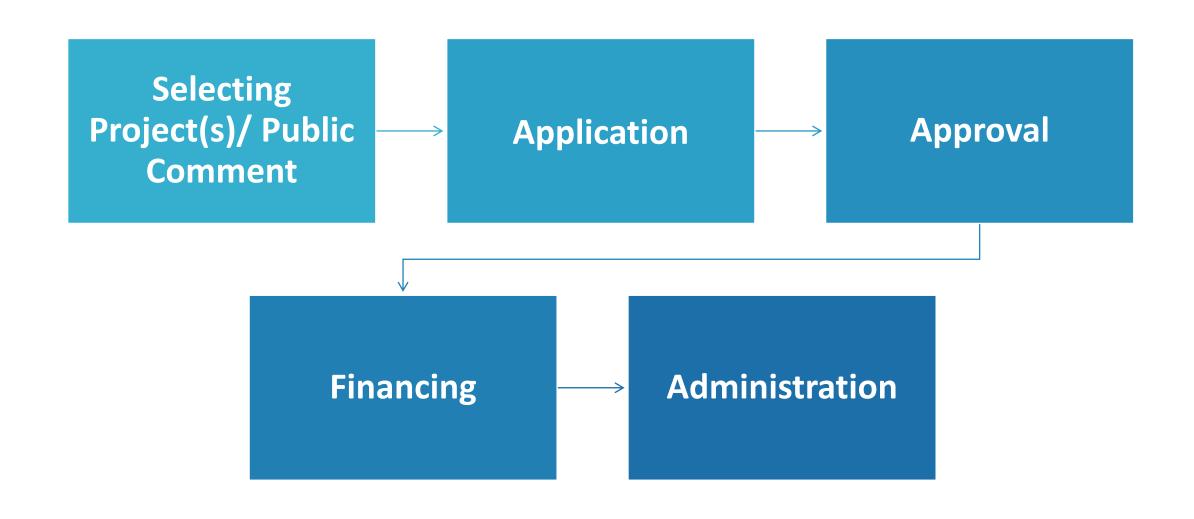
#### **Primary Source:**

 Pledge of current and future CDBG

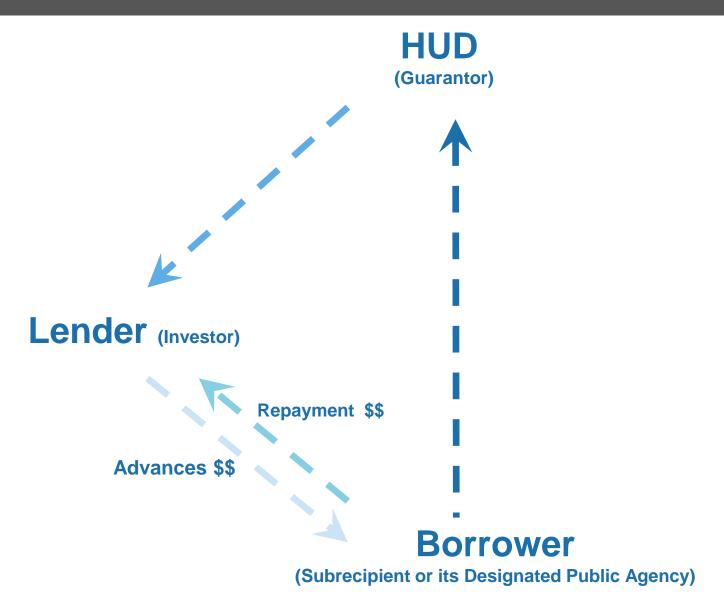
### <u>Potential Sources of</u> Additional Collateral:

- Property lien
- Full faith and credit
- Reserves (subject to appropriations)

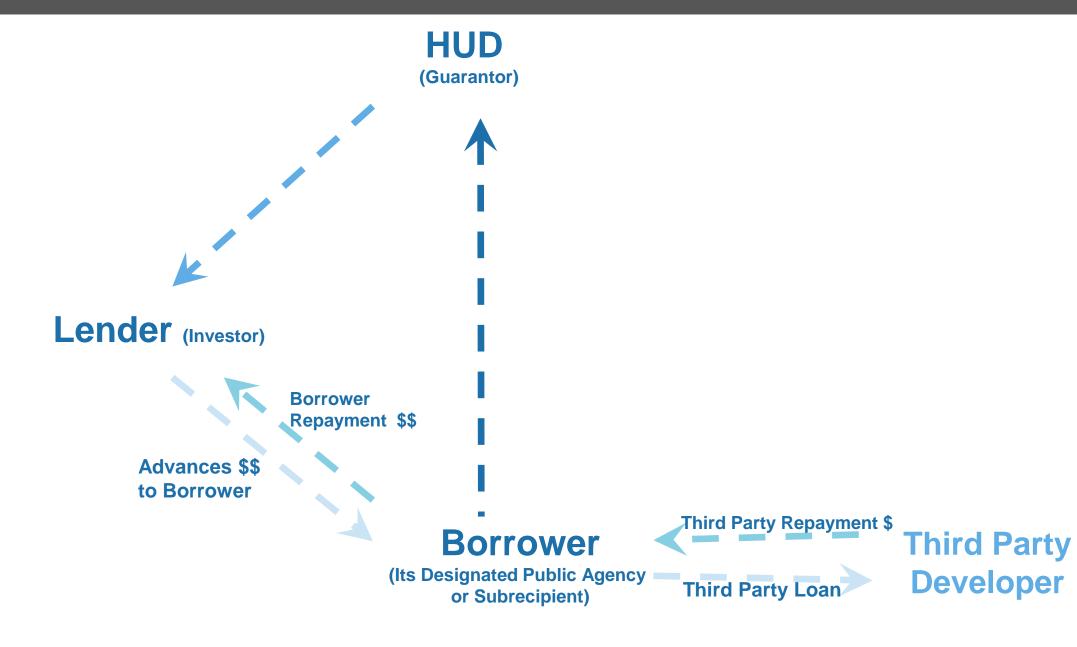
### **Section 108 Process**



### Flow of Funds: Project by the Applicant



### Flow of Funds: Project with a Third Party Developer/Borrower



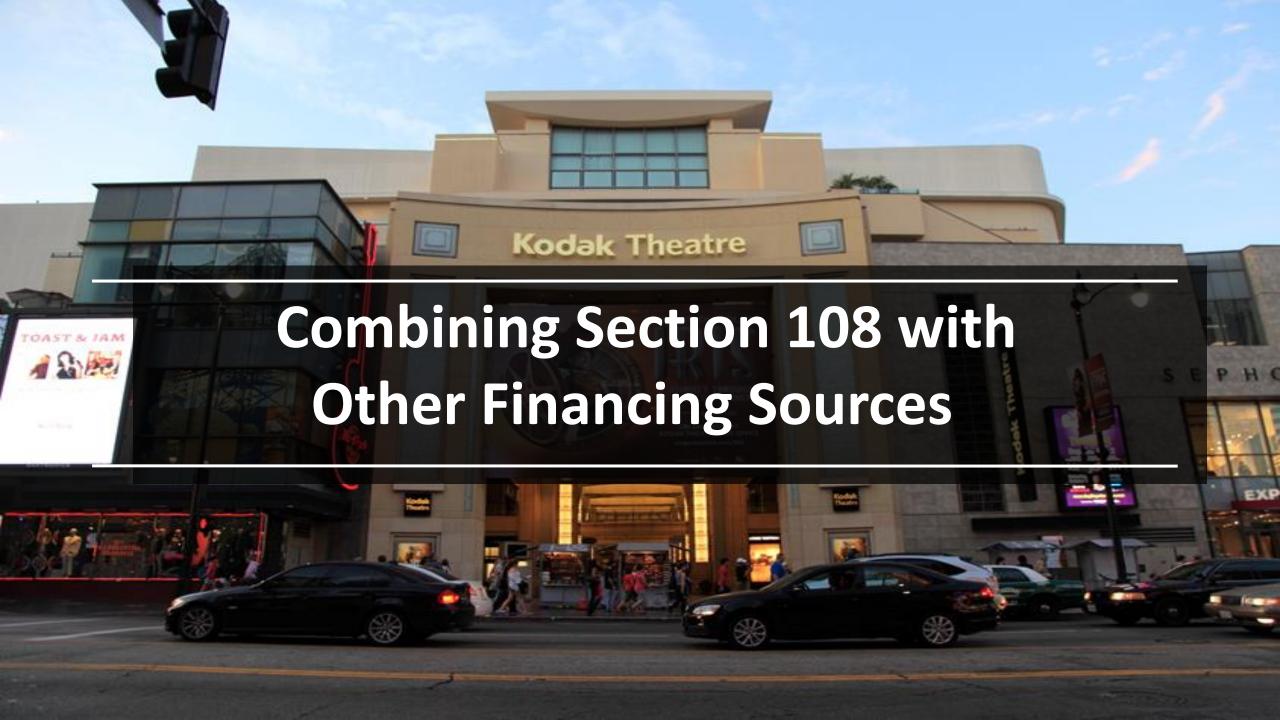
# Why is Section 108 an attractive financing tool?

Wide Range of Uses

Low-cost
Financing
with Flexible
Terms

Various
Sources of
Repayment +
Collateral

Immediate Availability of Funds



# How does Section 108 fit into the financing for a project?







# Combining Section 108 with Other Federal Financing



New Market Tax Credits



 EDA Public Works & Economic Adjustment Assistance



Historic Tax Credits



- 7(a) Loans
- ► 504 Loans





- Low-Income Housing Tax Credits
- Opportunity Zones



- Revolving Loan Funds
- Brownfields Remediation Financing
- ➤ WIFIA



### **Economic Development and Remediation | Urban Ag Example**

### Cleveland, Ohio

#### **TOTAL 108 FINANCING: \$3.97M**

#### **Green City Growers Greenhouse Cooperative**

- The City remediated and redeveloped 10+ acres of an industrial/residential site into an employee-owned cooperative greenhouse that created 42 full-time jobs producing 2 million pounds of healthy greens and 200,000 pounds of fresh herbs annually.
- The City assembled the parcels and then sold the site to a developer to carry out the project consisting of two buildings, a greenhouse with multiple bays and a packing house where produce will be prepared for shipping.
- Green City Growers cooperative leases the facility from the Developer.
- The City lent the Section 108 guaranteed loan proceeds through the New Market Tax Credit (NMTC) structure to a special purpose private for-profit Investment Fund



### **Economic Development and Rehabilitation | Vendor Market Example**

### Anaheim, California

### **TOTAL 108 FINANCING: \$7M**

### **Packing House**

- The City funded the restoration of a historic orange packing facility, originally built in 1919.
- The dilapidated building was rehabilitated into a food market with local vendors.
- The project has catalyzed economic development in Anaheim's downtown.



### Public Facility | Farmers Market + Park Example

### Pasco, Washington

#### **TOTAL 108 FINANCING: \$3.781M**

#### **Pasco Market Redevelopment**

- Restoration and expansion of the market will allow for increased flexibility and use by the community.
- Restoration of adjacent park will update it to modern standards, creating a more open and inviting public space that will also benefit surrounding businesses.
- Complements the City's investment in the Pasco Specialty Kitchen, a state-of-the-art certified commercial kitchen for local entrepreneurs located across the street from the park.
- The City has secured a commitment from one of the market's neighboring property owners to redevelop/repurpose another building into a public dining hall that will be designed to open towards the Market.
- This dining hall will create multiple new food businesses and provide a launch site for future Pasco Specialty Kitchen incubator clients.



**Pre-Project** 

Source: Tri-City Herald

### **Loan Fund | Grocery Example**

### Houston, Texas

# **TOTAL 108 FINANCING: \$5.026M HEB Grocery**

- Funds loaned to HEB for acquisition and construction.
- The store is 72,000 sq. ft. and located in an underserved community.
- The store increased access to healthy foods for 65,000 people.



Source: TX.gov



### **Section 108 General Resources**

PPLICATION

HUD has created resources on HUD Exchange to assist potential borrowers with developing applications:

- Borrowing capacity spreadsheet [updated annually] <u>Link</u>
- Application Tool <u>Link</u>
- Single certifications document <u>Link</u>
- Section 108 Application & Finance Process Infographic <u>Link</u>
- Project profiles for all applications approved in recent fiscal years <u>Link</u>
- Join our mailing list to get email updates! <u>Link</u>

Many other resources are available on HUD.gov and HUDexchange.info

Note: FMD is willing to provide 1-on-1 Technical Assistance during any project cycle stage for interested applicants.

## Section 108 offers in-depth, tailored Technical Assistance

Conceptualization

- Walk-through eligibility requirements
- Offer suggestions and share examples of similar projects

Application Preparation

- Provide Joint Technical Assistance with Field Offices
- Identify appropriate sequencing and deal structure

Application Process

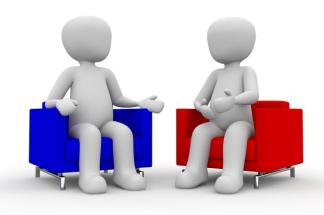
- Help to clarify outstanding issues related to underwriting
- Share guidance and best practices on documentation

Financing Phase

- Identify additional collateral
- Advise on loan proceeds and disbursements

Jamantation

- Ongoing guidance on compliance and reporting
- Dynamic ability to amend project terms to meet borrower's needs



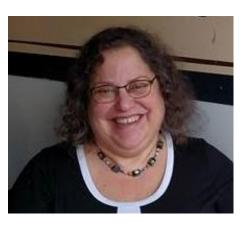
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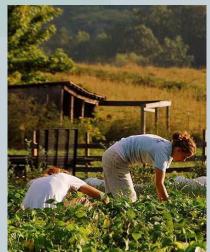


### 2021 CDFA Panel on Local Food Finance

### Preserving Local Food Systems with Federal Financing



Debra Tropp, Principal Debra Tropp Consulting December 14, 2021





### USDA PROGRAMS IN THE LOCAL FOOD SUPPLY CHAIN

USDA is committed to supporting robust regional food economies across the food chain through the programs noted below.



### PRODUCTION



### AGGREGATION/



Agricultural Conservation Easement Program (NRCS)

Community Compost and Food Waste Reduction Project Cooperative Agreements (NRCS)

> Conservation Reserve Program (FSA)

Conservation Stewardship Program (NRCS)

Conservation Innovation Grants (NRCS)

Environmental Quality Incentives Program (NRCS)

Solid Waste Management Grants (RD) Environmental Quality Incentives Program (NRCS)

Farm Microloans (FSA)

Farm Storage Facility Loans (FSA)

Grass Fed Small and Very Small Producer Program (AMS)

Noninsured Crop Disaster Assistance Program and Other Disaster Assistance Programs (FSA)

Organic Cost Share (FSA)

Rural Energy for America Program (RD)

Urban Agriculture and Innovation Grants (NRCS)

Whole-Farm Revenue Protection (RMA) Agricultural Innovation Center (RD)

PROCESSING

Business and Industry Guaranteed Loans (RD)

Community Facilities Loans and Grants (RD)

Local Food Promotion Program (AMS)

Regional Food Systems Partnership Grants (AMS)

Rural Business Development Grants (RD)

Urban Agriculture and Innovation Grants (NRCS)

> Value Added Producer Grants (RD)

Business and Industry Guaranteed Loans (RD)

Community Facilities Loans and Grants (RD)

Farm Storage Facility Loans (FSA)

Local Food Promotion Program (AMS)

Regional Food Systems Partnership Grants (AMS)

Rural Business Development Grants (RD)

Specialty Crop Block Grants (AMS) Community Food Projects Competitive Grants (NIFA)

> Farm to School Grant Program (FNS)

Farmers Market Promotion Program (AMS)

Gus Schumacher Nutrition Incentive Program (formerly FINI) (NIFA)

> Regional Food Systems Partnership Grants (AMS)

Senior Farmers' Market Nutrition Program (FNS)

> Specialty Crop Block Grants (AMS)

Urban Agriculture and Innovation Grants (NRCS)

WIC Farmers' Market Nutrition Program (FNS)

#### RESEARCH, EDUCATION, AND TECHNICAL ASSISTANCE PROGRAMS ALONG THE SUPPLY CHAIN

Agriculture and Food Research Initiative (NIFA)

Beginning Farmer and Rancher Development Program (NIFA)

Community Prosperity Funding Opportunity (OPPE)

Conservation Technical Assistance (NRCS)

Enhancing Agricultural Opportunities for Military Veterans (AGVETS) (NIFA) Extension Risk Management (NIFA)

Federal State Marketing Improvement Program (AMS)

Food Safety Outreach Program (NIFA)

Organic Research & Extension Initiative (NIFA)

Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program (2501 Program) (OPPE) Rural Cooperative Development Grants (RD)

Small Business Innovation Research (NIFA)

Socially Disadvantaged Group Grant (RD)

Specialty Crop Block Grants (AMS)

Specialty Crop Research Initiative (NIFA)

Sustainable Agriculture Research and Education Program (NIFA)

www.ams.usda.gov/localfood • Updated February 2021 • USDA is an equal opportunity employer, provider, and lender.

### What Are We Seeing?

Early grant programs emphasized <u>small-scale production</u>, <u>DTC outlets</u>, <u>first-stage producer networking and collaboration</u>

Examples: NIFA Community Food Program (launched 1996)
RD Value-Added Producer Grant Program (launched 2006)

The next wave of grant programs focused on <u>scaling up</u> local/regional food systems, placing greater attention on:

- > <u>Institutional</u>, <u>commercial food service and retail markets</u>
- Role of intermediaries and wholesale distributors in facilitating market access

Examples: Farm to School Grant Program (launched 2012)
Local Food Promotion Program (launched 2015)

### **These Changes Were NOT Random**

### They reflect, in part:

- > Evolution in composition of local food markets (e.g., growth in wholesale sales vs. DTC sales)
- Producer interest in realizing greater income/more stable cash flow through <u>market diversification</u>
- Growing development of <u>scale-appropriate marketing</u> <u>infrastructure</u> that permitted an expansion of locally-grown food sales to commercial/institutional/retail customers (i.e., aggregators, food hubs)
- > <u>Increasing demand</u> for locally-grown food by public institutions (schools, universities, agencies, hospitals)

# Direct Vs. Intermediated Sales of Food Marketed as Locally/Regionally-Grown

From USDA/NASS Census of Agriculture 2017 (published 2019)

Value of food sold directly to consumers, **\$2.8 billion**Average DTC sales per farm: **\$21,570** (130K farms)

Value of food sold to retail markets, institutions, and food hubs as local or regionally branded products, **\$9.0 billion**Average sales per farm: **\$312,042** (29K farms)

- Non-DTC sales comprised **more than 3x** the value of DTC sales overall
- On average, farms generated **more than 14x** the value of sales from non-DTC transactions compared to DTC transactions

### Most Recent Wave of Federal Local Food Grants: The New Ethos

- <u>Less focused</u> on supporting specific market mechanisms
- <u>More focused</u> on facilitating system-wide, transformative change to reduce/eliminate economic and social disparities
- Embraces more diverse (and non-traditional) partnerships

From 12/6/21 press release announcing new "local food purchase assistance cooperative agreements" (AMS) and "reach and resiliency grants" (FNS):

USDA believes the food system of the future should be <u>fair</u>, <u>competitive</u>, <u>distributed</u>, <u>and resilient</u>;

it must <u>support health</u> and ensure producers receive a <u>fair share of the food</u> <u>dollar</u> while <u>advancing equity</u> and <u>contributing to national climate goals</u>

### Most Recent Wave of Federal Local Food Grants: The New Ethos

Expansion in project focus, scope and eligibility seems to open up new opportunities for CDFIs and other financial institutions to participate in USDA or other Federal local (and community) food grants.

Examples of programs that offer an especially good fit:

- > Regional Food System Partnership (USDA/AMS)
- > Urban Agriculture and Innovation Grants (USDA/NRCS)
- > Healthy Food Financing Initiative (HFFI) Targeted Small Grants Program (USDA/RD & Reinvestment Fund)

# USDA/AMS Regional Food System Partnership Grants: What Are They?

• RFSP is part of the Local Agriculture Market Program (LAMP) authorized by the 2018 Farm Bill, along with the Farmers Market and Local Food Promotion Program (FMLFPP), and Value-Added Producer Grants (VAPG)

#### The primary goals of LAMP are to:

- Cultivate regional food economies through <u>public-private partnerships</u>
- <u>Support the development of business plans, feasibility studies, and strategies</u> for value-added agricultural production and local/regional food system infrastructure.
- <u>Strengthen capacity</u> and regional food system development <u>through</u> <u>community collaboration</u> and expansion of mid-tier value chains.
- <u>Improve income and economic opportunities</u> for producers and food businesses through job creation

# USDA/AMS Regional Food System Partnership Grants: What Are They?

### **Specific purpose of RFSP grants:**

- <u>Supports partnerships that connect public and private resources</u> to plan and develop local or regional food systems.
- Focuses on <u>building and strengthening local or regional food economy</u> <u>viability and resilience</u> (including pandemic response and recovery)
- Intended to further <u>catalyze the development</u> of local or regional food systems
- <u>Coordinates efforts</u> within the partnership to set priorities, connect resources and services, and measure progress towards common goals

### **USDA/AMS** Regional Food System Partnership Grants

### Why look at the <u>USDA/AMS Regional Food Systems</u> <u>Partnership grant program?</u>

- Supports partnerships that connect public and private resources
- Projects typically require a minimum 25 percent \*cash\* match
- RFA explicitly cites <u>helping food system enterprises access capital</u> <u>investment</u> as allowable activity
- Commercial, Federal or Farm Credit System lending institutions listed as <u>eligible project partners</u>

Award numbers: 30 in FY 2021 (incl. extra COVID funds), \$14.8 MM

23 in FY 2020, \$9.3 MM

Size of awards: in FY 2021, 100-250K for planning & design grants,

250K-1MM for implementation & expansion grants

(may be modified in future?)

### **USDA/AMS** Regional Food Systems Partnership

### **Eligible Applicants**

- Producers
- Farmer or Rancher Cooperative
- Producer Network or Association
- Majority-Controlled Producer- Based Business Venture
- Food Council
- Community Supported Agriculture (CSA) Network or Association
- Local Governments
- Nonprofit Corporations
- Public Benefit Corporations
- Economic Development Corporations
- Regional Farmers Market Authorities
- Tribal Governments

#### **Eligible Partners**

- State Agencies
- Regional Authorities
- Philanthropic Corporations
- Private Corporations
- Institutions of Higher Education
- Commercial, Federal or Farm Credit System Lending Institutions

### **Example of RFSP Planning & Design Grant**

Building Capacity and Collaboration to Develop a Regenerative Meat Value Chain in the Mid-Atlantic

**Recipient:** <u>Virginia Foodshed Capital, Charlottesville, VA (a CDFI!)</u> <u>Award amount: \$250,000, match amount: \$47,000</u>.

This planning grant <u>intends to establish a regenerative meat certification</u> <u>and producer network,</u> transition small/family farms to regenerative practices, <u>facilitate investment in processing capacity</u> and reinforce links to distribution and processing.

An established multi-use food enterprise center/value-added processor and a food hub distributor will help provide market access for increased meat production, as supply-side (production and slaughter) constraints are addressed.

### Example of RFSP Implementation and Expansion Grant

#### **Puget Sound Regional Food System Partnership**

Recipient: Northwest Agriculture Business Center (NABC), Mount

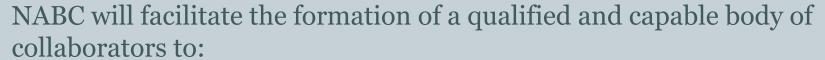
Vernon, WA

Award amount: \$994,400, match amount: \$248,609

This project starts with a baseline of service to nine established producerowned processing, marketing, and distribution cooperatives and more than 200 agricultural producers who currently serve more than 300 supermarkets, institutional food service providers, restaurants, and food banks in a 10-county region.

NABC will serve as the project manager and leverage its long-standing relationships with multiple local, state and federal governmental agencies, nonprofits, *lending institutions*, institutions of higher learning, producerowned cooperatives, food producers and others.

### Example of RFSP Implementation and Expansion Grant



- Support the development of <u>necessary infrastructure projects</u> for valueadded food processing and distribution
- Provide hands on technical assistance to farms and food businesses <u>to</u> support expansion and *gain access to capital*.
- Create a network of independent farmer-owned food hub cooperatives, which <u>leverages efficiencies</u> in marketing and production planning, business operations, logistics, financial and risk management, and improves profitability.
- <u>Implement a replicable food access model</u> in which food hubs, farmers, and food banks collaborate to increase access to fresh fruits and vegetables

# USDA/NRCS Urban Agriculture and Innovative Production Grants: What Are They?

<u>Mission</u>: to <u>encourage and promote urban, indoor, and other emerging agricultural practices</u>, including—

- community gardens and farms;
- rooftop farms, outdoor vertical production, and green walls;
- indoor farms, greenhouses, and high-tech vertical technology farms;
- hydroponic, aeroponic, and aquaponic farm facilities; and
- other innovations, such as agroforestry and food forests

#### Sample allowable project activities:

- Support the development of business plans, feasibility studies, and strategies to help offset start-up costs for new and beginning farmers
- <u>Provide support for municipal planning</u> that consider policies to meet the growing needs of and zoning for [urban agricultural production]
- <u>Facilitate the development of entrepreneurial projects</u> [through] job training, land, equipment, mentoring and other assistance

# USDA/NRCS Urban Agriculture and Innovative Production Grants

# Why look at the USDA/NRCS Urban Agriculture and Innovative Production Grants program?

- <u>Broad service area</u> that permit funded projects to take place in all but the most sparsely populated communities (over 2,500 residents)
- <u>Unusually wide range of allowable activities</u> that includes food access, education, business/start-up costs, and policy development (e.g., zoning)
- Rare USDA program that <u>allows the recovery of costs associated with</u> brick and mortar construction
- Eligible applicant pool <u>includes all non-profits</u> (with or without 501c3 designations) \*other\* than institutions of higher learning
- Partnerships with private sector & non-profit sector are encouraged

Award numbers: 21 in FY 2021, 4.75 MM

Size of awards: planning projects, 50-200K, implementation 50-300K.

# USDA/NRCS Urban Agriculture and Innovative Production Grants

### Project activities that may be funded under this grant include:

- <u>Production-related expenses</u> such as materials, supplies and other costs.
- <u>Purchase</u>, <u>lease or rental</u> of special equipment, vehicles, land, and building space.
- Activities that encourage and promote urban, indoor, and other emerging agricultural practices.
- <u>Construction</u> such as building a permanent or a non-permanent, temporary or moveable structure such as fencing

# USDA/NRCS Urban Agriculture and Innovative Production Grants

#### Sample funded projects:

Knox Parks Foundation, Hartford, CT: The foundation provides underemployed, beginning farmers with land, training, mentoring, and connections to enter careers as farmers in the agricultural industry or start their own farming businesses. This project will expand growing space for participants in the foundation's Urban Farming Program by repairing and upgrading four greenhouses for year-round use and implement urban farming solutions that maximize the crop yield of smaller spaces

Second Harvest Food Bank of Orange County, Irvine, CA. This project will significantly increase the food bank's capacity to source and redistribute fresh produce from its own Urban Solutions Farm, which currently produces more than 2 million pounds of food annually

# Healthy Food Financing Initiative (HFFI) Targeted Small Grants Program: What Is It?

Administered by the Reinvestment Fund – a CDFI – on behalf of USDA Rural Development, the program provides capacity building and financial resources to eligible "healthy food retail" projects to overcome the higher costs and initial barriers to entry in underserved areas. These activities must take place in an eligible location (which includes USDA Low Income, Low Access and adjacent Census tracts), and the targeted retail outlet must accept SNAP/EBT.

#### Award amounts and sizes:

- In FY 2020, <u>20 projects received a combined total of \$3 million</u>, across 46 States, Territories and the District of Columbia
- The FY 2021 round of grants (<u>estimated to be at least \$4 million</u>) is slated to be announced in spring 2022. Awards range from 20-200K
  - ➤ Letters of intent were due 12/07/21
  - > Selected finalists to send in their full application in January 2022

# Healthy Food Financing Initiative (HFFI) Targeted Small Grants Program

# Why look at the Healthy Food Financing Initiative (HFFI) Targeted Small Grants Program?

#### **Eligible Applicants:**

- For-profit business enterprises (including a corporation, limited liability company, sole proprietor, public benefit corporation)
- Cooperatively-owned businesses
- Tax-exempt nonprofit corporations
- State and local governments and governmental agencies, authorities, commissions and food policy councils

#### **Eligible Partners and Collaborators**

Applicants are encouraged to seek and create partnerships with public or private, nonprofit or for-profit entities, and/or other appropriate professionals, community-based organizations, and local government

# Healthy Food Financing Initiative (HFFI) Targeted Small Grants Program

#### **Eligible Activities:**

Food retailers and food enterprises may apply for <u>one-time</u> <u>investments of capital</u> into a project aiming to strengthen, expand, and innovate within the food retail supply chain.

Grants may also support a variety of organizations, business models, and capital needs of ventures that process, distribute, aggregate, market, and sell healthy, fresh, and affordable foods to underserved communities and markets.

They may assist with a variety of project needs, <u>including</u> <u>predevelopment</u>, <u>brick and mortar facility construction or renovation</u>, <u>equipment</u>, <u>vehicles</u>, <u>and other one-time soft costs</u>. including training, consulting needs, marketing, or merchandising.

# Healthy Food Financing Initiative (HFFI) Targeted Small Grants Program

### Sample awarded projects:

New Orleans, LA: \$200,000 to the Sankofa Community Development Corporation (CDC), located in the Lower Ninth Ward of New Orleans. The CDC currently operates a successful weekly open-air produce market that showcases local farmers, fishers, wholesalers, and the grant will allow Sankofa to develop a permanent "Fresh Stop Market" in a new green mixed-use development located on a commercial corridor.

Zuni, NM: \$200,000 to support the reopening of Major Market, owned and operated by the Tsabetsaye family, enrolled Tribal members of Zuni Pueblo. The community-centered grocery store will be dedicated to healthy eating by offering fresh produce, custom-cut meats, traditional Native American ingredients, non-perishable foods, standard staples, and purified water.

### **Questions?**

Have more questions after this event? Feel free to contact:

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for joining the conversation today. Send us your questions and comments!

### CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing

# **Questions?**

See all of CDFA's resources online at www.cdfa.net/resources



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### **Upcoming Events**

CDFA // BNY Mellon Development Finance Webcast Series: Affordable Housing Finance - Market Rate/Affordable/Low-Income

September 21, 2021

**Fundamentals of Economic Development Finance Course** 

January 26-27, 2022

**Intro Bond Finance Course** 

February 14-15, 2022

**Advanced Bond Finance WebCourse** 

February 16-17, 2022

Register online at www.cdfa.net



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# CDFA Federal Financing Webinar Series: Preserving Local Food Systems with Federal Financing





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