



REINVESTMENT  
FUND



**2018 Farm Bill**  
**Healthy Food Financing Initiative (HFFI)**  
**Legislative Summary & Outline**

Nearly 40 million Americans live in rural areas and urban neighborhoods where they cannot readily purchase affordable healthy food to feed their families. The same communities often struggle with high rates of unemployment, population losses and disinvestment; and frequently our nation's food distribution systems can hamper access to locally-grown foods. Research has shown that implementing healthy food projects contributes to a community's well-being by making fresh, nutritious foods more accessible and affordable, promoting healthy shopping and eating, creating jobs, generating tax revenue, catalyzing economic activity, and establishing new market opportunities for our nation's new, small and mid-sized farmers.

Regional and local food systems encompass a great variety of enterprises from farm to fork with different capacities and financing needs. For nearly a decade, the Healthy Food Financing Initiative (HFFI) has demonstrated that it is a viable, proven and effective approach to building an equitable and resilient food system beneficial to both farmers and consumers, cities and small towns. Over \$220 million in HFFI grants have been awarded to community development financial institutions (CDFIs) and community development corporations (CDCs) by the U.S Department of Treasury and U.S. Department of Health and Human Services and invested in a diversity of projects, including grocery stores, farmers and mobile markets, food hubs, urban farms, food co-ops, and food business incubators. These federal grants leveraged a conservative estimated of \$1 billion in additional resources, loans and federal tax incentives, including investments from financial, healthcare and philanthropic institutions. Additionally, 15 states and metropolitan areas have also launched financing programs dedicated to bringing fresh and healthy food to communities. The federal HFFI funding has been critical in launching many of these programs, providing seed capital and the endorsement of committed resources.

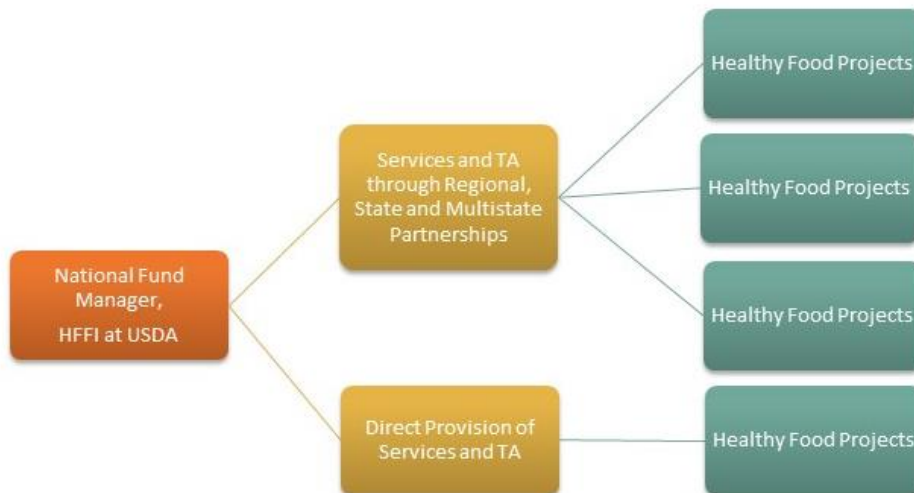
At the U.S. Department of Agriculture (USDA), HFFI's public-private partnership model is organized around a CDFI serving as a National Fund Manager (NFM) who will foster solutions that are locally determined and pursue flexible investment strategies that build from the ground up. The NFM will leverage private capital, provide financial and technical assistance to regional, state and local partnerships, and directly fund eligible projects that improve access to fresh, healthy foods in underserved rural and urban areas. HFFI will support new and existing grocery stores, food hubs, agricultural producers, farmers and mobile markets, mid-tier value chains serving healthy food retailers and other commercial food enterprises that serve people and places left out of the economic mainstream.

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**By reauthorizing and enhancing HFFI at USDA, Congress will:**

- Build on past successes to improve access to, and expand the supply of, healthy foods in low-income, underserved communities;
- Create and preserve quality jobs and businesses;
- Revitalize distressed rural, urban and small-town economies;
- Support the development of local and regional food systems;
- Increase the distribution of locally produced agricultural products; and
- Strengthen farm to consumer relationships.

**HOW THE NFM WORKS**



HFFI is a public-private partnership administered by USDA Rural Development that seeks to improve access to healthy foods in underserved areas. The National Fund Manager, chosen by USDA, leverages private capital, provides financial and technical assistance to regional, state and local partnerships, and channels capital to fund eligible projects that will improve access to fresh, healthy foods in underserved rural and urban areas.

Funded projects improve access to healthy food in low income rural and urban communities across the country.

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**Bill Outline:**

**SHORT TITLE**

- Healthy Food Financing Initiative Reauthorization Act

**PURPOSE**

- To establish an initiative to provide financial and technical assistance to healthy food producers and retailers, food hubs, mid-tier value chains that support healthy food retailers and other healthy food business enterprises serving low- and moderate-income, underserved communities.
- Housed at United States Department of Agriculture within the Office of Rural Development.

**DUTIES OF THE SECRETARY**

- Select a National Fund Manager (NFM) once every 5 years through a competitive process among community development financial institutions which have the qualifications and experiences defined by the Act.
- Approve eligibility criteria, program strategy, budget and performance metrics developed by the NFM.
- Ensure that HFFI funds are used appropriately and efficiently.
- Publish progress reports.

**NFM ROLES AND RESPONSIBILITIES**

- Raise private capital, provide financial and technical assistance to eligible regional, state and local partnerships as well as fund directly eligible projects that meet the criteria set out in the Act.
- Partner with a national Food Access Organization with expertise in improving access to healthy food in low- and moderate-income, underserved communities.
- Develop eligibility criteria, program strategy, budget and performance metrics (subject to Agency approval).
- Collect and compile data and qualitative information, submit progress reports, and conduct outreach to publicize and educate on the program.
- Work with partnerships at the national, regional, state or local level to undertake financing and other activities to implement and maximize HFFI's effectiveness.

**ELIGIBLE PARTNERSHIPS**

- A regional, state, or local collaborative entity that is organized to improve access to healthy foods by providing financing and technical assistance to eligible projects.

**ELIGIBLE PROJECTS**

- Located in, or serve, a low- or moderate-income, underserved community as defined by the Act;
- Involve healthy food producers and retailers, mid-tier value chains that serve healthy food retailers, including food hubs, and other food business enterprises as defined by the Act;

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- Demonstrate need for funding and expand the availability of healthy food as defined by the Act;
- Accept SNAP benefits or sell or donate food items to an institution such as a school, food bank, food pantry, hospital, or social service agency that serve low- or moderate income, underserved communities.

**PRIORITY PROJECTS**

Priority will be given to projects located in severely-distressed areas as defined by the Act and meeting one or more of the following criteria:

- Located in, or serve, a rural community; supports rural economic development or includes mid-tier value chains that use agricultural producer business and cooperative ownership models.
- Involves a disadvantaged business enterprise, historically underserved agricultural producer; or veteran-owned business, farmers and ranchers as defined by the Act.
- Creates and retains quality jobs; participates in job training or workforce development program that targets low income and underserved communities; or commits to hiring low-income residents from the community that the project is served.
- Associated with transit-oriented development or is accessible to public transit (if available in the area).
- Funded by other USDA programs such as Food Insecurity Nutrition Initiative, Farmers Market and Local Promotion, Rural Community Development Initiative, or other federal agencies such as U.S. Department of Treasury's CDFI Fund Financial Assistance Program or New Markets Tax Credit Program and U.S. Department of Health and Human Services Community Economic Development Program.

**PolicyLink is a national research and action institute advancing racial and economic equity by Lifting Up What Works®. [www.policylink.org](http://www.policylink.org)**

**Reinvestment Fund creates wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. [www.reinvestment.com](http://www.reinvestment.com)**

**The Food Trust, founded in 1992, is a national nonprofit organization working to ensure that everyone has access to affordable, nutritious food. [www.thefoodtrust.org](http://www.thefoodtrust.org)**

**Learn more about HFFI at [www.healthyfoodaccess.org](http://www.healthyfoodaccess.org)**