

Fresh Food Financing Initiative

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Faculty

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The Reinvestment Fund

- \$1 billion in cumulative investments and loans throughout the mid-Atlantic
- Currently manage \$572 million in capital, with nearly 800 investors

Jeremy Nowak, PhD
The Reinvestment Fund - Philadelphia, PA

The Reinvestment Fund

Business Lines



Lending & Investing



Policy & Information Services



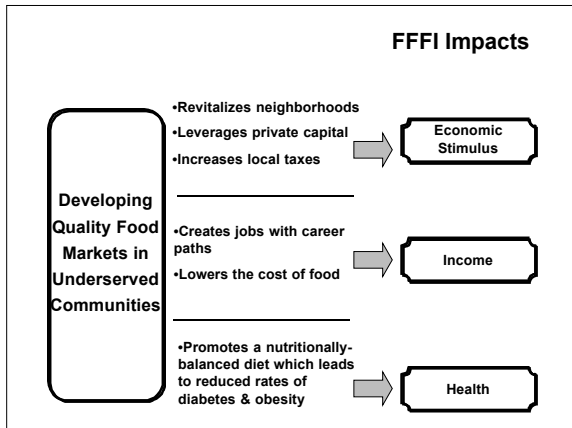
Real Estate Development



PolicyMap

Partner Roles

- TRF underwrites grants & loans; raises private capital; administers the State grant
- Food Trust markets FFFI statewide in underserved urban and rural communities, evaluates supermarket eligibility
- State of Pennsylvania provides capital and support of economic development infrastructure




- ### Financial Products
- TRF offers four basic financial products
 - Direct grants to operators and/or developers
 - Loans from a Bank Syndicated Fund
 - Loans from TRF’s Loan Fund
 - Loans from TRF’s New Market Tax Credit Program

- ### Smart Subsidy
- Subsidize costs related to market failure
 - Barrier to entry costs
 - Information costs
 - Higher fixed costs
 - Credit system barriers
 - Versus the usual remedies
 - Higher prices
 - Low wages/benefits
 - Poor food choices

- ### Some Portfolio Characteristics
- 63% of operators participating in FFFI own more than one store
 - 32% of the projects financed by FFFI are located in Philadelphia and 68% are in small cities, towns and rural areas
 - FFFI financed 22 new stores and refreshed or expanded 47 existing stores throughout PA

FFFI as a National Model

Some cities are trying to bring back the corner grocery in... underserved areas. In Pennsylvania, the Fresh Food Financing Initiative has been particularly successful and has begun encouraging similar programs throughout the country.



- The New York Times editorial board
March 21, 2009

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