

# 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 \$264 million fund provides financing for grocery stores and other forms of healthy food retail and distribution by providing flexible capital to eligible applicants. Some loans can be packaged with companion grants. The CAFWF is modeled after the successful Pennsylvania Fresh Food Financing Initiative and was developed to align with the National Healthy Food Financing Initiative (HFFI). In his fiscal year 2012 budget proposal, President Barack Obama called for a \$345 million investment in HFFI.

**Why?** Low-income communities of color and low-income rural areas are most affected by limited access to healthy food. Studies have consistently shown that there are fewer supermarkets and other retail outlets selling affordable, nutritious food in low-income communities than in wealthier ones. One nationwide study found that low-income zip codes have 25% fewer chain supermarkets than middle-income zip codes. The problem goes beyond health; poor communities are cut off from the economic development opportunities that arise from a local grocery store including the creation of jobs, the attraction of other small businesses, and the support of surrounding residential real estate values. The CAFWF provides a tested, scalable solution to the problem of food deserts in California that will improve health, spark economic development, and help transform underserved communities into communities of opportunity.

Partners include:

-  **Investors (Debt/Grants):** The California Endowment, NCB FSB, NCB Capital Impact, JPMorgan Chase, Morgan Stanley, US Bank, Calvert Foundation, Dignity Health (formerly Catholic Healthcare West), Kaiser Permanente, Bank of America, Citibank, Charles Schwab, Met Life and Opportunity Finance Network
-  **Industry:** Unified Grocers, California Grocers Association, Emerging Markets, Inc
-  **Nonprofit:** PolicyLink, Community Health Councils, Social Compact
-  **Government:** California Treasurer's Office, USDA California Office of Rural Development, CRA/LA

**How?** The Fund provides both loans and grants to healthy food retailers and distributors willing to locate in Food Opportunity Areas (often referred to as Food Deserts). For additional information including details on eligibility, how to apply for resources, help identifying Food Opportunity Areas within California, and details on how to invest in CAFWF for as little as \$20, please see [www.CAFreshWorks.com](http://www.CAFreshWorks.com).



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# Healthy Food. Closer To Home.

## 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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