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Opportunity Finance Network appreciates the chance to comment on the CDFI Program Healthy Food Financing Initiative—Financial Assistance (HFFI–FA) Supplemental Questionnaire. Healthy food financing is an emerging sector of the CDFI industry that is positioned for growth, and the availability of this capital will support CDFI lending activities that will increase access to healthy foods in underserved communities across the country.

One of the cornerstones of the CDFI Fund’s strategy is providing CDFIs with the flexible capital they need to meet the diverse needs of their target markets. The CDFI Fund should approach the HFFI-FA initiative with the same flexibility. The issues related to access to healthy food differ in each community, and thus require funding that will support a multitude of interventions to meet the needs of the CDFI’s target markets. The CDFI Fund should leave some latitude to the applicant to identify the appropriate solution for the community it serves, rather than prescribing its own priorities for use of the funds.

OFN’s comments cover the definition of “food desert;” other definitions and indicators; and the HFFI-FA application process.

Definition of Food Desert

The current definition of “food desert” in the questionnaire may impede the ability of some CDFIs to deploy HFFI funding in communities that have low access to healthy food. OFN agrees with the Fund that HFFI funding should be targeted to the areas of greatest need, and in general, the USDA definition of food desert provides an excellent baseline from which to measure areas with low access to healthy foods.

However, the USDA food desert definition limits geographic scope considerably, and does not consider areas with significant food access issues that are low-income, low-density, and have little or no public transportation, where traveling to healthy food retail outlets may be quite burdensome. OFN suggests that the USDA definition of a food desert serve as a guideline for locating low-access communities, but the Fund should allow CDFIs to present other indicators that could supersede the USDA definition if appropriate.

In addition to the geographic limitations of the definition of food desert, the current definition, with its emphasis on large, full-scale supermarkets, potentially overshadows the importance of other sources of healthy food in communities. A large supermarket with lots of square footage and a large assortment of goods might be the solution to food access issues in an urban Philadelphia neighborhood, but may not be appropriate in rural Maine, or a farming community in



California. In order to afford CDFIs the flexibility to serve the needs of their markets, other interventions that provide access to healthy foods such as farmers markets, farm stands and small grocery stores should be considered as potential solutions.

Other Definitions and Indicators

OFN supports the HFFI's interagency working group's definition of "healthy foods" which defines healthy foods as whole foods such as fruits, vegetables, whole grains, fat free or low-fat dairy, and lean meats that are perishable (fresh, refrigerated, or frozen) or canned as well as nutrient-dense foods and beverages encouraged by the 2010 Dietary Guidelines for Americans.

OFN agrees with the CDFI Fund that the indicators used to assess need in an applicant's target market are the appropriate indicators. These indicators include patterns of non-healthy food consumption, such as low rates of fruit and vegetable consumption, poor health indicators, and high concentrations of persons participating in food assistance programs such as Supplemental Nutrition Assistance Program; Women, Infants, and Children food packages; and school lunch programs. However, it is also important to consider how the applicant's activities will fit into a larger community economic development strategy and neighborhood revitalization plan. To that end, OFN appreciates that the Fund is taking a comprehensive approach to funding HFFI applications that work in concert with a broader strategy for local revitalization.

The FY2011 HFFI-FA Application

The current application requires awardees to use 75 percent of their financing for healthy food retail projects located in food deserts. This requirement is inconsistent with the CDFI Fund's principles of flexibility, and limits the ability of CDFIs to provide their target markets with the types of projects that are best suited to their community. As part of a larger revitalization strategy, OFN encourages the Fund to providing financing to CDFIs for healthy food projects that impact aspects of the food system beyond retail outlets. Although retail is a very important component of bringing healthy food options into low income communities, CDFIs are often involved in the other aspects of the food system such as food production, processing, distribution, and financing food hubs for value-added producers. These types of projects, like supermarkets, can also increase access to healthy foods, and can create jobs and spur other economic development activity in communities.

These considerations make it critical that the HFFI program maintain the flexibility that made the CDFI Financial Assistance program a unique and valuable capital resource for CDFIs, and that it provide CDFIs the financing they need to address access to healthy foods in a manner that is appropriate for their markets.

From a more technical perspective, OFN and other HFFI-FA applicants we have consulted appreciated that the questionnaire was relatively simple and additional tables or graphs were not required. The page limits are appropriate. However, the Fund should provide more transparency about the process and criteria it uses to determine which CDFIs are eligible to compete for HFFI-FA funding.



Thank you for the opportunity to comment. Please do not hesitate to contact me with any questions or for clarification of any positions in this letter. We look forward to working with you to enhance the use of the HFFI awards to increase access to healthy foods in underserved communities. Sincerely,

Mark Pinsky

A handwritten signature in black ink that reads "M. Pinsky". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

President & CEO