Program Design and Impact Measurement

Christina Szczepanski & Lance Loethen, The Reinvestment Fund
December 6, 2012
Winter Webinar Series
Winter Webinar Series

• Nurture the growing healthy food financing sector
• Provide webinars to CDFIs and CDFI partners interested in healthy food financing
Today’s Webinar Topic

- Building blocks of successful healthy foods program
- How to define impact
- What data to collect from the start to measure impact
Program Design and Impact Measurement

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1. Introduction

2. Program Design
   - Getting Started
   - Products
   - Process
   - Management
   - Q & A

3. Impact Measurement
   - Getting Started
   - What questions can I answer with the basic data?
   - Applied Analytics
   - Data Management
   - Q & A

Nurturing Healthy Food Financing
TRF Outcomes

- 19,845 homes
- 36,480 charter school seats
- 10.1 million sq. ft of commercial space
- 4.5 million MWh of clean energy
- 55,770 jobs
Program Design: Where to Start?

Capital Sources
– Requirements
– Constraints
– Goals (Priorities)

Potential Sources:
State and/or Municipal Bonds
Foundation Investment (PRI, MRI)
Existing federal programs (CDBG)
New or future federal programs (HFFI)
CDFI Fund Financial Assistance
CDFI’s own core loan funds

Nurturing Healthy Food Financing
Capital Sources Shape Program Design

- **Funder Requirements**
  - Davis-Bacon, Prevailing Wage
  - DBE / Equal Opportunity
  - Geographic

- **Funder Constraints**
  - Pricing
  - Terms
  - Uses

- **Funder Goals (Priorities)**
  - Geographic diversity

Questions to Think About:

- Which funder R/C/G’s should my firm be explicit about in program materials?
- How can we accommodate multiple funders’ R/C/G’s with our program design?
Program Design: Products

When designing a program
Always keep the CUSTOMER in mind!

Design products that meet your target customers’ needs
Program Design: Products

Working within your funder R/C/G framework...

Products
- Loans
  - Forgivable Loans
- Grants
  - Recoverable grants

Terms
- Amount
- Rates
- Term
- Amortization
- Collateral

Capacity
- Existing Staff Skills / Experience
- Loan Servicing
- Compliance
When designing a program, keep in mind what capacity your firm has or plans to acquire to carry out each of these activities.
Program Design: Key Process Questions

**Outreach**
- Target or priority areas?
- In-house or add capacity? Food access organization or similar?

**Eligibility**
- Pre-application or eligibility application? Financing app.? Both? RFP?
- Based on Income? Underserved? Need?
- Rolling basis? Prioritize? Combination of both?

**Approvals**
- Use existing loan approval process and/or grant approval process?
- Add expertise to loan committee? Establish a separate committee with industry experts?

**Disbursements**
- Grants – acceptable backup?

**Management**
- Have a clear, defined process.
- File management!
- All staff should use same criteria, definitions for data, etc.
Program Design Q&A
Impact Measurement: Getting Started

What data or *impact metrics* should we collect?

Jobs created or preserved; Square feet perishable foods existing, created; business type, address...

*Let’s go to the spreadsheet.*

When and how should we collect the data?

Up front! In the Pre-Application, Application
Get more during the underwriting, evaluation process

Who should we collect data from?

Everyone! That is, all applicants, eligible or not.
What ??’s can we answer with basic data?

What is the most common reason an applicant was not eligible?

Number of existing stores vs. new stores?Independents vs. chain stores?

Total # of applicants?

Number of jobs created or preserved?

Number of construction jobs created?

Amount of square feet dedicated to perishable foods created?

What % of projects were financed in NMTC eligible locations?

% of and $ amount of projects financed in urban areas?

How many projects were funded in Congressman X’s district?

Min/Max loan size financed?

Are most stores independently owned or a part of a chain?

What % of projects financed were located in low-income or very low-income areas?

Number of existing stores vs. new stores?

Square feet created or renovated?
Applied Analytics – Beyond Basic Data ??’s

• Use basic data gathered to analyze your own firm’s performance:
  – Efficiency, Time
  – Breadth of outreach (geography, customer type, etc.)
  – Leveraging other funds

• Deep dive evaluation and/or research studies:
  – Economic impact studies
  – Health impact research
Data Management

• Importance of definitions
  – Dates, Gross vs. Selling square footage, etc.

• One master spreadsheet, database
  – Limit the number of “cooks”

• Consistency
  – Reports, Frequency
  – Terminology used
Impact Measurement
Q&A
Contact Information

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Additional Resources
Upcoming Winter Webinars

• **The Grocery Gap**
  – December 12, 2012 @ 2pm ET

• **Rural Healthy Food Retail**
  – January 10, 2013 @ 2pm ET

• **Underwriting Supermarkets and Grocery Stores**
  – January 15, 2013 @ 2pm ET

• **CDFIs and Public Health**
  – January 24, 2013 @ 1pm ET

• **Energy Efficiency and Healthy Food Retail**
  – January 30, 2013 @ 2pm ET

To register:  [opportunityfinance.net/fhfowebinars](http://opportunityfinance.net/fhfowebinars)
Financing Healthy Food Options Resource Bank

I. Training Curriculum

- Food Systems Overview
- Healthy Food Retail Financing
- Financial Services for Mid-Tier Food Chain Enterprises
- NMTC & Urban Supermarkets
- Understanding the Grocery Industry
- Underwriting Supermarkets & Grocery Stores
- Mid-Tier Food Chain Enterprises Overview & Underwriting
- Capitalizing Healthy Food Retail Initiatives
- Identifying Optimal Areas for Supermarket Development
- Understanding the Food Production Sector
- Credit Skills for Lending to the Food Production Sector
- Food Producers Case Studies
- Identifying Partners and Convening Stakeholders

II. Training Webinars

III. Additional Resources

- Searching for Markets: The Geography of Inequitable Access to Healthy and Affordable Food
  - Executive Summary
  - Full Report
- Financial Resources Catalogue

IV. Food Desert Mapping Tools

- USDA Food Desert Locator
- PolicyMap
Connect with OFN

http://www.opportunityfinance.net/industry/industry_locator.asp
Connect with OFN
For CDFIs: Become a Member

How to Apply

OFN welcomes all CDFIs that are committed to performance to apply for Membership. Our standards for Membership are different and generally higher than the CDFI Fund’s requirements for CDFI certification. Not all OFN Members are CDFI Fund-certified and not all CDFI Fund-certified CDFIs qualify to be OFN Members.

To apply please complete OFN’s new online membership application. You will be able to provide all necessary attachments when completing the application. If you want to work on the membership application prior to submitting it online please download a practice copy. We recognize that not all CDFIs are ready for or interested in OFN Membership. We invite these CDFIs, as well as non-CDFI organizations and individuals who support OFN’s mission, to become OFN Allies.

Do you want more information?
- Download our Membership Guidelines.
- Read our Membership FAQs.
- Contact our Membership Department at membership@opportunityfinance.net.
Connect with OFN
For CDFI Partners: Become an Ally

OFN Allies

OFN Allies actively support OFN’s mission and the important work that OFN does on behalf of the opportunity finance industry. CDFIs—including those that do not currently meet OFN’s Membership requirements—as well as individuals and organizations that are not CDFIs, are invited to become OFN Allies.

Ally benefits include:

- Participation in OFN’s policy and advocacy efforts on behalf of the opportunity finance industry.
- Policy Action Alerts at key times in the legislative process when your participation in advocacy can make a real difference.
- Regular policy updates and analysis.
- Free participation in Quarterly Ally Calls led by OFN’s policy team.
- The Member discount to attend OFN Regional meetings.
- Subscription to OFN’s E-newsletter, quarterly CDFI Market Conditions Report, and a complimentary copy of the annual Opportunity Finance Institutions Side by Side publication.
- Recognition on OFN’s Web site list of Allies.

Allies that aspire to become OFN Members are invited to participate in Member Staying Connected calls, a valuable peer learning opportunity for any CDFI.

Annual Ally dues are $75 for individuals and $250 for organizations.

Become an OFN Ally Today.
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Thank You!

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