



LIVING CITIES CATALYST FUND

CATALYST FUND PORTFOLIO

BORROWER:	The Reinvestment Fund (TRF)
AMOUNT:	\$2 million
CLOSING DATE:	May 2009
LOAN TERM:	8 years

PROGRAM OVERVIEW: The Reinvestment Fund (TRF) is one of the premier community development financial institutions in the country. Since its establishment in 1985 as a small community development loan fund for affordable housing in the Philadelphia metropolitan area, TRF has evolved into a comprehensive regional financing intermediary.

In collaboration with the Commonwealth of Pennsylvania, The Food Trust and the Greater Philadelphia Urban Affairs Coalition, TRF launched the Pennsylvania Fresh Food Financing Initiative in 2004. This program provides innovative financing solutions to supermarket operators in underserved communities to improve access to healthy and affordable food. The program has become a national model, winning an innovation award from Harvard's Kennedy School of Government and attracting interest from other states. To date, TRF has committed over \$60 million in grants and loans to nearly 70 stores across the state, creating more than 3,700 jobs.

The Catalyst Fund's \$2 million loan combined with state and local funding and New Markets Tax Credits will be used to replicate TRF's successful Fresh Food Financing Initiative to Newark, NJ, and potentially also to Baltimore. The program will provide predevelopment grants and loans, land acquisition financing, equipment financing, capital grants for project funding gaps, and construction and permanent financing, as well as technical assistance and workforce services to operators planning supermarkets or grocery stores in low-income communities that lack access to fresh food.

PROGRAMMATIC SIGNIFICANCE: The loan to TRF addresses several key Living Cities priorities. Access to affordable fresh foods, often lacking in low-income urban communities, is critical for good health. Mounting evidence on social determinants of health suggests that access to fresh foods reduces the risk of developing diet-related diseases such as obesity, heart disease and diabetes. In addition to supplying fresh, affordable foods, supermarkets help create jobs and serve as retail anchors in underinvested communities.

TRF intends to finance the creation of two to three supermarkets or grocery stores in underserved areas of Newark and/or Baltimore, both of which are Living Cities' geographic concentration areas. Success in Newark and Baltimore could help catalyze development of statewide fresh food programs in their respective states.

Several Living Cities funders, such as the Robert Wood Johnson Foundation, are committed to expanding access to fresh food in low-income urban communities. This TRF loan is the first of several fresh food initiatives being considered.

ADDITIONAL FUNDERS:

- ▣ New Jersey Economic Development Authority
- ▣ Brick City Development Corporation (TBD on a project-by-project basis)
- ▣ ING

DESCRIPTION OF THE LOAN: The Catalyst Fund is providing \$2 million in general recourse debt to enable TRF to adapt its successful Fresh Food Financing Initiative to Newark and possibly Baltimore.

LEVERAGE: \$2 million from the Catalyst Fund is leveraging at least \$8 million from other sources.