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# LOUISIANA'S HEALTHY FOOD RETAIL PROGRAM FAQs

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## FREQUENTLY ASKED QUESTIONS

### Project Eligibility

#### ***What stores are eligible?***

Eligible projects must expand fresh food offerings in lower income and underserved neighborhoods in Louisiana affected by Hurricanes Gustav and Ike and fit local community needs. Eligible projects include grocery chains, individual grocery stores, neighborhood stores, co-ops and other food projects such as farmers markets and food hubs.

All applicants are strongly encouraged to accept SNAP and WIC benefits. The applicant (or members of their management team) must also demonstrate capacity and experience managing a grocery store or fresh food retail outlet that is similar to the proposed project.

#### ***Can an existing grocery store or other outlet apply?***

Yes, an existing grocery retail outlet may apply if it requires a renovation to maintain healthy food offerings or plans to substantially improve the store's ability to sell a variety of non-prepared foods intended for home preparation, such as produce, meat, seafood, and dairy.

#### ***Is there a minimum store size?***

There is no minimum store size, as long as the store makes a commitment to provide fresh fruits and vegetables and meets other program guidelines.

#### ***What if my project is outside of an eligible parish?***

If your project is not located in a Gustav or Ike-affected parish, flexible financing may still be available for grocery projects through other programs. Please contact HOPE for more information.

### Uses of Funds

#### ***What can Healthy Food Retail Program (HFRP) funds be used for?***

HFRP funds are intended for equipment, such as furnishings to increase the inventory and sale of fresh fruits and vegetables, equipment installations and upgrades.

The funds may not be used for the following activities: refinancing existing debt; repayment of any tax arrearages, government fines or penalties; political or religious activities; buying out any stockholder or equity holder in a business; buying out or reimbursing any family member; or purchasing instruments or investments for the sole purpose of a return on investment.

#### ***What are the terms and rates on the loans?***

Interest rates for the HFRP will be determined by HOPE during the underwriting and approval process based on risk. The length of the loan term will depend on the financing needs of the borrower (projected cash flow and activities/items being financed). All financing must be approved by HOPE's Credit Committee.

### Application Process

#### ***How does the application process work?***

Applying for financing from the HFRP is a two-step process:

(1) Eligibility Determination: First, the applicant completes the Eligibility Application to determine whether the proposed project is consistent with the goals and objectives of the program. Applicants should complete the Eligibility Application and submit it to [hfrp@hopecu.org](mailto:hfrp@hopecu.org). Incomplete applications will delay assessment.

(2) Financing Approval: If eligible, applicants will be asked to complete a loan application and provide required supporting documentation.

#### ***How do I prepare supporting documentation?***

When writing your narrative, please share the history of your business, proposed store model and offerings, and management structure. Please include any other information you believe would demonstrate that your project is consistent with HFRP goals.

#### ***Where can I get an application?***

Go to [www.hopecu.org/hfrp](http://www.hopecu.org/hfrp) or contact HOPE at 504-585-2860 or [hfrp@hopecu.org](mailto:hfrp@hopecu.org).

### Why is the Program Necessary?

#### ***What are the impacts of a lack of access to healthy foods?***

Where you live affects your health. People living in neighborhoods with relatively few grocery or produce outlets have a significantly higher prevalence of obesity and diabetes. Studies demonstrate that adding fresh food retail options to communities lacking affordable, healthy food increases consumption of fruits and vegetables and improves health outcomes. Studies also demonstrate that in addition to providing access to healthy foods, supermarkets and large grocery stores are important neighborhood economic engines, bringing jobs and revitalization.

#### ***Why aren't stores already locating in these communities?***

While it has been demonstrated that there is demand for high quality, nutritious and affordable foods in underserved communities, significant barriers to entry exist in these communities, including lack of access to sufficient capital, costly site assembly, higher development costs, and more expensive workforce development needs. There is evidence that when retailers have assistance with these initial start-up costs, they will locate in underserved communities and are able to run successful businesses.

#### ***What is the consensus among leading public health experts about this issue?***

Leading public health experts, such as the Institute of Medicine, American Heart Association and the Centers for Disease Control and Prevention, indicate that increasing access to healthy food in underserved areas is a necessary component of a comprehensive effort to improve public health and prevent obesity and related diseases. Grocery industry experts, such as the National Grocers Association, have supported healthy food financing as a successful public-private initiative.

## PROGRAM OVERVIEW

### *What is the Healthy Food Retail Program?*

Louisiana's Healthy Food Retail Program (HFRP) was established by the Louisiana Legislature to provide flexible financing for healthy food retailers operating or expanding in underserved communities in Louisiana affected by Hurricanes Gustav and Ike, in both urban and rural areas. The program provides flexible financing to enable operators to open, renovate, or expand retail outlets that sell healthy food.

The goals are to increase access to affordable, healthy food so as to improve diets and health; to promote the sale and consumption of fresh fruits and vegetables, particularly those that are Louisiana-grown; and to support expanded economic opportunities in low-income and rural communities by meeting the financing needs of food market operators in communities where infrastructure costs and credit needs cannot be filled solely by conventional financial institutions.



Funding Provided by



## ADDITIONAL QUESTIONS?

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504-585-2860