



MID SOUTH HEALTHY  
FOOD INITIATIVE  
PROGRAM SUMMARY



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## PROGRAM OVERVIEW

The Mid South Healthy Food Initiative (MSHFI) is a public-private partnership that provides affordable financing to food retailers to expand access to fresh food in underserved communities in Louisiana, Mississippi, Arkansas and West Tennessee. By providing financing for working capital, equipment, and real estate, the program will enable vendors to open, renovate or expand retail outlets that sell fruits and vegetables. MSHFI will also create quality employment opportunities and promote community revitalization. The program is administered by Hope Enterprise Corporation in partnership with The Food Trust (TFT). For more information, go to the MSHFI website at [www.hope-ec.org/mshfi](http://www.hope-ec.org/mshfi).

## PROGRAM PARTNERS

HOPE is a family of development organizations dedicated to strengthening communities, building assets and improving lives in the Delta and other economically distressed parts of Arkansas, Louisiana, Mississippi and West Tennessee. Comprised of a regional credit union (Hope Credit Union), loan fund (Hope Enterprise Corporation) and policy center (Hope Policy Institute), HOPE has provided financial services, leveraged private and public resources, and shaped policies that have benefited more than 650,000 residents in one of the nation's most persistently poor regions.

The Food Trust is a national nonprofit dedicated to ensuring that everyone has access to affordable, nutritious food and information to make healthy decisions. Headquartered in Philadelphia, The Food Trust works with neighborhoods, schools, grocers, farmers and policy-makers in the city and across the country to develop a comprehensive approach to improved food access that combines nutrition education and greater availability of affordable, healthy food. With leadership and technical support from The Food Trust, healthy food financing programs have been established in multiple states as well as at the federal level.

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## DEMONSTRATED SUCCESS

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### **New Orleans, LA**

The City of New Orleans partnered with HOPE and The Food Trust to launch the \$14 million Fresh Food Retailer Initiative (FFRI) after Hurricane Katrina. FFRI was designed to attract grocery stores, local markets, and other fresh food providers to lower income communities with limited access to fresh food. Since 2012, HOPE has provided \$3.2 million in financing to five fresh food retailers in food deserts, and leveraged an additional \$40 million.

Incorporated in 1938, Circle Food Store was New Orleans' first black-owned grocery. In 2005, the store was heavily damaged by Hurricane Katrina. The owner attempted to secure financing to reopen; however, he was unable to find lenders willing to invest in him or his store. In 2012, his financing problems were resolved through a partnership led by The Food Trust, the City of New Orleans and HOPE. Circle Food Store reopened in 2014 and now provides 65 local jobs and fresh food in a former food desert, while reclaiming its position as an important symbol of community resilience and revitalization.

## PROGRAM ELIGIBILITY

Applicants must plan to:

- Open a self-service supermarket or other grocery retail outlet that sells fresh produce, seafood, meat, dairy, and other groceries;
- Renovate and substantially improve a store's ability to stock and sell a variety of fresh fruit and vegetables;
- Develop a real estate project that will lease space to a grocery retail tenant; or
- Be a healthy food retail outlet or nonprofit that expands the availability of healthy foods in lower income, underserved areas.

Applicants must operate in HOPE's service area – Arkansas, Louisiana, Mississippi or greater Memphis, Tennessee.

The applicant's project must:

- Primarily serve a low- to moderate-income (LMI) community by:
  - Locating in an LMI census tract, or
  - Demonstrating that a significant number of customers reside in LMI areas
- Be considered underserved, defined as no comparable fresh food markets or full-service grocery stores within an applicant's trade area.

## FINANCIAL ELIGIBILITY

- Beacon credit score > 600 for all principals and guarantors
- Projected debt coverage ratio of 1.2x, defined as EBITDA / (interest payments + current maturities)
- Personal guarantee, where applicable
- No prior history of bankruptcy at any time with the business or recent bankruptcy (within the last seven years) for the principals
- With security for the loan calculated at the lower of cost or market, LTV ratios of 80% or less
- Minimum combined grocery store management experience of the principals is to be 5 years, with a preference for 8 or more years

### Financing Uses

- Development and Pre-development
- Real Estate and Facilities
- Acquisition
- Construction and Rehabilitation
- Leasehold Improvements
- Permanent Financing
- Business Loans
- Equipment
- Training
- Security
- Inventory and Working Capital

### Collateral

- Strong preference for real estate collateral
- Will also accept other collateral including fixtures and equipment

### Fees

- Up to 1.5% of loan amount plus legal fees

### Personal Guarantees

- Required from all significant owners (generally those with a 20% and above ownership interest in the borrower).

*All loans are subject to underwriting and approval by HOPE's Credit Committee.*

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## HOW TO APPLY

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To find out if you are eligible for HOPE's Mid South Healthy Food Initiative, download the application from [www.hope-ec.org/mshfi](http://www.hope-ec.org/mshfi). Complete the eligibility application and submit your form with attachments by email, fax or mail to:

HOPE | ATTN: MSHFI  
1726 O.C. Haley Blvd.  
New Orleans, LA 70113

Fax: 504-527-0691  
[mshfi@hope-ec.org](mailto:mshfi@hope-ec.org)



For more information, email or call:  
**[mshfi@hope-ec.org](mailto:mshfi@hope-ec.org)**  
**(504) 585-2856**



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The Food Trust  
Program Partner