



New Orleans Fresh Food RETAILER INITIATIVE

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The Fresh Food Retailer Initiative (FFRI) is a \$7 million citywide program to encourage supermarket and grocery store development in low-income, underserved communities of Orleans Parish. The FFRI program is partially funded by Disaster Community Development Block Grants (D-CDBG) granted to the City of New Orleans by the Department of Housing and Urban Development (HUD) and the State of Louisiana.

By providing financing for capital, real estate and related expenses, the program will enable operators to open, renovate, or expand retail outlets that sell fresh fruits and vegetables. FFRI will provide underserved neighborhoods in New Orleans with better access to fresh foods, quality employment opportunities, and opportunities for revitalization. The program is made possible by the City of New Orleans and administered by Hope Enterprise Corporation in partnership with The Food Trust.

FINANCING PRODUCTS

The FFRI Program provides forgivable and interest-bearing loans to support grocery development. Eligible activities include: pre-development, site assembly and improvement, construction and rehabilitation, equipment installation and upgrades, staff training, security, and start-up inventory and working capital. The total amount of D-CDBG FFRI funding awarded, per store, may not exceed \$1,000,000, of which the total portion of forgivable loans may not exceed \$500,000.

More funding may be supplied in the form of market-rate interest bearing loans from private lenders or New Markets Tax Credits.

See the reverse for information about borrower requirements and loan terms.

ELIGIBLE APPLICANTS

Forgivable and interest-bearing loans are available to supermarkets or other retail grocery outlets committed to expanding the healthy food offerings in low- or moderate-income, underserved neighborhoods. An underserved neighborhood is defined as an area of below average supermarket density or grocery sales.

Applicants must plan to either: open a self-service supermarket or other grocery retail outlet primarily selling fresh produce, seafood, meat, dairy, and other groceries; renovate and substantially improve a store's ability to stock and sell a variety of fresh fruits and vegetables; or develop a real estate project that will lease space to a grocery retail tenant.

New Orleans FFRI Program Highlights

- Forgivable loans and interest-bearing loans for new and existing retail outlets
- Flexible funding for pre-development, development and initial operations costs
- Available to for-profit and non-profit markets

How To Apply

To find out if you are eligible for the New Orleans FFRI, download the application from **www.hope-ec.org**.

Complete the eligibility application and submit your form with attachments by e-mail, fax or mail to:

Hope Enterprise Corporation
1726 O.C. Haley Blvd.
New Orleans, LA 70113
FAX: 504-527-0691
E-MAIL: ffri@hope-ec.org

Have questions about the application process?

Call 504-585-2860 or e-mail ffri@hope-ec.org for assistance.

Public Partner:



Loan Underwriter,
Service and
Compliance Partner:



Food Access
Partner:



Funding provided in part by D-CDBG.

PROJECT REQUIREMENTS

Project Location: Low- to Moderate-Income (LMI) Census Tract; below average food market density/sales. Projects in other locations significantly serving LMI areas may also be considered.

Dedicated Shelf Space: Significant shelf space must be dedicated to the sale of fresh fruit and vegetables. (Suggested minimum: 15% of the current/future store shelf space or 24 linear feet of shelf space, whichever is greater.)

Financing Uses: Both FFRI forgivable loans and low-interest loans may be used for:

- Pre-development
- Site assembly and improvement
- Construction and rehabilitation
- Equipment
- Staff training
- Security
- Inventory and working capital

Environmental Review: CDBG Environmental Review will be conducted by the City of New Orleans before disbursement of loan. Since the FFRI program is partially funded by Disaster Community Development Block Grants (D-CDBG), all projects considered must be environmentally reviewed and classified as Exempt, Categorically Excluded, in need of an Environmental Assessment (EA), or in need of an Environmental Impact Statement (EIS).

New Orleans FFRI Applicants:

All applicants should refer to the full Program Guidelines and Eligibility Application, available at www.hope-ec.org.

These terms represent general guidelines. Exceptions may be considered on a case-by-case basis. All projects that fit the general mission of the Fresh Food Retailer Initiative are encouraged to apply.

For more information:

Call 504-585-2860 or ffri@hope-ec.org for assistance.

FINANCIAL ELIGIBILITY REQUIREMENTS

- Project meets general program eligibility criteria
- Beacon credit score > 550 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 nor recent bankruptcy (within the last seven years) for the principals
- With security for the loan calculated at the lower of cost or market, no LTV ratios will be accepted at above 85%
- Minimum combined grocery store management experience of the principals is to be 5 years, with a preference for 8 or more years

LOAN UNDERWRITING REQUIREMENTS

- A properly completed business loan application (only required following eligibility determination)
- Current financial statements for the borrower and all co-borrowers and guarantors
- A spread of the business's financial statements
- A credit analysis

LOAN RATES AND TERMS

- Rates will generally range from the Wall Street Journal (WSJ) Prime Rate to the WSJ Prime Rate plus 3%.
- Length of the loan term will depend on the financing needs of the borrower (projected cash flow and activities/items being financed).



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