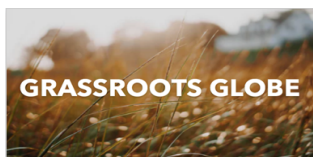

A Landscape Review of Governance Models and Funding Mechanisms for Local Food Systems Transformation in Sacramento

FEBRUARY 2022

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Background

Sacramento is one of the most abundantly productive agricultural regions in the world, yet high levels of food insecurity continue to plague low-income communities and communities of color—a reality that has been exacerbated by the COVID-19 pandemic. In an effort to supporting the healing of our food systems, The California Endowment (TCE) launched a ten year, state-wide initiative from 2010-2020 entitled Building Healthy Communities (BHC), with South Sacramento being one of the fourteen selected sites for investment. Through the BHC initiative, a group of food-systems non-profits, which had formerly convened as the Food Systems Collaborative, now had additional support and a new mandate to convene as the Healthy Food For All Collaborative. Their goals included increasing access to healthy food as they engaged residents as advocates for change in creating a just and equitable food system. The HFAC's monthly convenings eventually began attracting food systems partners from beyond the BHC's geographic boundaries, and, with the Initiative's sunsetting in 2020, food systems partners internal and external to the HFAC expressed a desire to not only continue collaborating and strengthening their partnership network and collaborative work, but to further expand and formalize.

To that end, this report summarizes the research findings on existing governance structures and funding mechanisms gleaned from successful food systems groups which could best serve the growing needs and aims of food systems partners who wished to be mindful of best practices as they take their work to the next level.

Methodology

This landscape review of governance models and funding mechanisms which could support local food systems transformation was undertaken with the intention of identifying models that already exist for effectively, collaboratively, and inclusively bringing food partners together across geographic boundaries in a space to connect, communicate, and take action. In both cases, particular emphasis was placed on seeking out models which were most innovatively approaching those needs, such that their framework for connecting expanded the realm of possibility for what collaborative food systems work could achieve.

With respect to governance models, an initial set of themes for exploration emerged from the Healthy Food For All Collaborative's April 2019 Retreat where partners began clarifying a vision for the future, which were further refined during continued conversations through early 2021. The themes emerging from the retreat (please reference the retreat report for further detail) included: increased power to influence regional decision-making, equity-centered approaches, and discerning possibilities for deeper connection and expansion. The research parameters were further refined to ensure that the models which surfaced reflected a degree of maturation, such that they had evolved beyond existing as an entity housed in a local government office in order to ensure autonomy and demonstrate wider influence in decision-making. The scope for the governance research originally spanned the United States but was expanded to include Canada, as the developmental progression of one governance model in particular from British Columbia mirrored the very process that Sacramento is currently evolving through.

With respect to funding mechanisms, the intention was to identify the full spectrum of mechanisms available which could sustainably fund food systems work at scale, year-over-year and, where possible, examples of where those mechanisms had been successfully deployed. In both cases, the research parameters considered the potential for local replication in Sacramento and findings were gleaned from the full spectrum of digitally available and relevant literature (i.e. websites for local governments and food collaborative models, annual reports, impact reports, discourse framing pieces from high-level organization etc.).

Finally, though these findings are meant to provide a sense of orientation within a fuller landscape of possibility, it is important to remember that this research has ultimately been undertaken with the intention of soliciting local feedback from the widest range of food system partners possible to ensure that the development of a future container would integrate best practices gleaned from high level findings in such a way that they would be rendered locally meaningful to Sacramento.

Overview of Findings

The research findings are overviewed in this section in order to provide introduction and direction for the remainder of the report which details each finding in greater depth. When reviewing the findings, particular emphasis should be given to the “Key Elements” finding of the governance section and the “Specific Tools” finding of the funding section, as these elements contain specific recommendations and suggestions for local replication which emerged from the research.

The research on **governance models** gave rise to two types of findings:

- 1. Individual Governance Models (pp. 4-6):** Of all the reviewed models, these models in their entirety most completely reflected the desired criteria outlined in the methodology section. These include the Capital Region Food and Agricultural Initiatives Roundtable and its corresponding network entitled The Good Food Network based in British Columbia, Canada; the Los Angeles Food Policy Council; the San Diego Food Systems Alliance; and a bonus equity-focused model from the Western Upper Peninsula of Michigan. That the findings for this element are primarily gleaned from California, even despite the wider geographical scope of inquiry, reflects California’s progressive approach to food systems work. *This finding is presented as a series of case study briefs for ease of review and comparison, with major points of focus including: core functions + issue areas, leadership structure, attention to equity, and funding sources.*
- 2. Key Elements (pp. 7-8):** These elements reflect the most powerful and impactful approaches of all models reviewed and, where relevant, reflect commonalities across models which emerged from a cross-model analysis. *This finding is presented as a list of recommendations, including references to specific models which best exemplify that element.*

The research on **funding mechanisms** gave rise to three types findings:

- 1. A Systemic Reframe (pg. 9):** The present moment is witnessing a major transformation in the conversation surrounding funding for local food systems transformation wherein the food system is being recognized as an asset ripe for diversified forms of development finance. This reframe provides the theoretical grounding upon which the other two funding findings are built. *This finding is presented as an exposition outlining the importance of this reframe, including a high-level, two-step process for food system partners to consider in their future convenings..*
- 2. Specific Financial Tools (pp. 10-12):** Building on the previous finding which reframed our food system as an asset class ripe for investment, these tools represent a fuller spectrum of financial mechanisms through which investment can be driven into our food system beyond the typical approach of pursuing grant funding. Though these tools have been explained as accessibly as possible in the space available within this report, truly understanding the nuances of these tools and their applications will often require a deeper financial education than is provided to us—which in itself represents another dimension of critique of the oppressive systems that fellow food partners are working to rectify. Therefore, holding safe and open space for future questions and conversations is a necessity. Additionally, it is important to note that while a few initial and

general recommendations can be made for potential tools to pursue as part of a well-rounded funding strategy, ultimate decisions must be based on the set of activities that food partners choose to prioritize and pursue. More concisely, certain financial tools are more appropriate for some activities over others—and partners will have to first collaboratively identify those activities. *This finding is formatted for ease of comprehension as a glossary of available tools and examples of where they have been successfully deployed, including initial suggestions (rather than firm recommendations) of tools to pursue.*

- 3. Individual Funding Models (pp. 13-16):** With respect to food funds, three models emerged which present distinct approaches to advancing local food systems transformation: the King County Regional Food System Program, the Philadelphia Food Justice Initiative, and the Michigan Good Food Fund. It is important to note that while each deploys their funding differently, these funds work in partnership either with a government entity, development bank, and/or major foundation. Additionally, though the King County and Philadelphia models both operate in a grant-making capacity, the means by which they acquire their funds for distribution are very different, in turn presenting two very different models from which inspiration can be drawn for how funding can be generated and developed. *This finding is presented as a series of case study briefs for ease of review and comparison, with major points of focus including a programmatic overview, eligibility criteria, financing options, and funding sources.*

Concluding Remarks

The previous decade has witnessed a tremendous amount of development in the power and potential of Sacramento's food systems partners who are well positioned and ready to evolve their collaborative work towards its new articulation. The research findings across both governance models and funding mechanisms reveal that the moment at hand presents tremendous potential for capitalizing on the transformation underway in the framing of food systems financing, as well as the broader reorganization of the social impact sector that the most successful food systems governance models have mirrored. In turn, the findings present an array of possibilities for reaching into and creating the future as food partners continue their vital work serving our communities through the realization of a more just, equitable, and health promoting food system.

📍 **Victoria, BC** - Capital of British Columbia | 15th largest metro in Canada | City pop: 85,792 | Reg pop: 367,770

CORE FUNCTIONS, + KEY ISSUE AREAS

OVERVIEW | The **Capital Region Food & Ag Initiatives Roundtable** (CRFAIR) was initiated in the 1990s as an informal network of organizations promoting food security in the BC capital region and have since grown and formalized as a non-profit to represent **the most evolved model of in all of North America**.

The **Good Food Network** was created by CRFAIR to organize collaborative efforts across the regional foodscape and is comprised of over 2000 organizations, communities, non-profits, grassroots initiatives, teachers, researchers, health promoters, local government, planners, and farmers working towards a shared vision for a healthy, sustainable and more equitable food system in the Capital Region. The network formalized in 2015 and incubates new initiatives, coalitions, and networks.

CORE FUNCTIONS + KEY ISSUES | Today, CRFAIR's sole purpose is provides backbone support to the Good Food Network, via the following activities:

- **Generating funding** for coordination of network activities
- **Connecting and aligning relationships** for collaboration across the network and the strategy areas
- **Communications** within the network and support for public communication strategies, e.g. web/tool hosting
- **Proposal** development and fundraising to support the strategy
- **Develop partnerships** to advance and manage the data collection, synthesis and generation of learning and progress reports
- **Support for the Leadership Council** meetings and strategy monitoring, learning, and adapting
- **Strategy monitoring:** roundtable members and key advisors come together annually to review the efforts of the working groups, identify emerging issues and priorities and realign the work of the org
- **Filling gaps** in project delivery and management where there is lack of leadership able to step forward
- **Supporting and coordinating working groups** as needed
- **Coordinating the Good Food Summit**

GUIDING DOCUMENT | The **Good Food 2025 Collective Impact Strategy** is divided into **three impact areas**, with strategic goals around **Healthy Food Access, Food Literacy, and the Local Food Economy** and working groups are organized into a framework called the **Constellation Model** (see appendix).

LEADERSHIP STRUCTURE: LEADERSHIP GROUP + BOARD OF DIRECTORS

Good Food Network Leadership Group

The Good Food Leadership Group is a panel of network experts provides leadership capacity and strategic guidance to the Good Food Network and CRFAIR. This body functions at the highest level, ensure the Good Food 2025 initiative is achieving its goals. The Leadership Group is responsible for providing guidance on strategy, community and stakeholder engagement, the development of shared measurement, research and reporting. When necessary, the Leadership Group will also act as a liaison to the wider community, local government, and other authorities.

CR-FAIR Board of Directors

The Board of Directors supports the organizational structure of CRFAIR by developing, implementing, and monitoring policies that will allow the organization to carry out its work.

While CRFAIR's Board undertakes typical functions, please note (as listed above) that CRFAIR *also* provides strategic insights back to the Leadership Group based on the insights from its coordination efforts.

ATTENTION TO EQUITY

Room for Growth: CRFAIR's establishment predates the discursive emergence of racial equity in relation to food systems by approx. 20 yrs and instead reflects the long standing dominance of the 'food security' framework. A number of their programs, community + resident engagement, and participatory action research endeavors reflect a food justice orientation. Very few staff members are P/WOC and work at the lowest levels. They have hired a Justice + Belonging Advocate (most advanced articulation of racial equity work). They do include a land acknowledgement. Please note that more progressive orgs are included within this network as well.

FUNDING SOURCES

Foundations: Vancouver Foundation ♦ Victoria Foundation ♦ The Horner Foundation ♦ Real Estate Foundation of BC

Other: Island Health (*healthcare services provider which supports grant applications and disperses funds*) ♦ Vancity (*values-based financial cooperative that funds community programs*)

📍 San Diego County, CA 2nd most populous city in CA | City pop: 1,423,851 | County pop: 3,338,330

CORE FUNCTIONS + KEY ISSUE AREAS

OVERVIEW | The San Diego Food Systems Alliance is a multi-stakeholder coalition with 501(c)(3) status launched in 2012 in response to a food systems assessment conducted by UC Davis Agricultural Sustainability Institute. The initial 18 months of the Alliance’s formation and convening was facilitated by Ag Innovations, a CA-based organization specialized in forming cross-sector collaboratives focused on agriculture and food systems transformation.

CORE FUNCTIONS + KEY ISSUES | Their **mission** is to cultivate a healthy, just, and sustainable food system in San Diego County through **three primary avenues: Promoting Collaboration, Influencing Policy, and Catalyzing Transformation**. To achieve these ends, the Alliance undertakes the following activities:

- **Facilitates Leadership Council**
- **Convenes 5 Working Groups:** Good Food Purchasing Program ♦ Healthy Food Access ♦ Reducing Barriers to Farming ♦ Urban Agriculture ♦ Wasted Food Prevention & Recovery.
- **Food Policy/Advocacy:** influences policy by conducting policy research, leveraging its network of diverse stakeholders to inform and advance equitable food system policies, providing education for decision-makers, and supporting planning and implementation.

GUIDING DOCUMENT | The current, wider **vision** for their work is entitled “San Diego Food Vision 2030” and includes three goals (Cultivate Justice, Fight Climate Change, Build Resilience), ten objectives, and a corresponding set of strategies.

LEADERSHIP STRUCTURE: COUNCIL | FOOD VISION STEERING COMMITTEE | BOARD OF DIRECTORS

Leadership Council

The Leadership Council is comprised of 40 leaders from across the full spectrum of the food system, including non-profits, local government, funding bodies, farmers, grassroots advocates, small food businesses, waste management, and university researchers who **guide the Alliance’s overall strategy as a multi-stakeholder coalition**.

Food Vision 2030 Steering Committee

The 16-member Steering Committee was created to **ensure that the Vision is grounded in the aspirations and values of the Alliance**.

This steering committee is similar to the Leadership Council in terms of its member makeup, but it’s domain is specific to the Vision.

Executive Board

The 4-member Executive Board provides **operational, fiduciary, and communications support for the Alliance as an organization**.

ATTENTION TO EQUITY

- **Robust Statement on Justice:** centers a vision for racial justice in the local food system.
- **Land Acknowledgement:** while Indigenous groups are mentioned once within the above statement, the one-line acknowledgement itself appears perfunctory and appears to exist without connection to Indigenous partners.
- **Organizational Makeup:** primarily staffed by women of color, including at the most senior levels and board.
- **Community Engagement:** partnered with local entities directly serving those most affected by systemic inequities to uplift their voices for inclusion within Food Vision 2030, including targeted outreach to food systems workers.

FUNDING SOURCES

Private: Corporate Partnerships ♦ 1% For The Planet ♦ Visionary Circle

Foundations: 24 foundations, including those across state-level, corporate grocers, family funds, healthcare providers, public and private environmental champions, and food system specific funders

Local Gov: SD County Health & Human Services Agency

Los Angeles, CA

Most populous city in CA | City pop: 3,792,621

CORE FUNCTIONS + KEY ISSUE AREAS

OVERVIEW | The Los Angeles Food Policy Council has evolved from its original structure as a traditional food policy council housed in the LA mayor's office to become **the largest food policy council in the country that now serves as a dynamic backbone organization for a network of over 400 organizations and agencies** working to create a healthy, sustainable, and fair food system for all. Their fiscal sponsor is Community Partners.

CORE FUNCTIONS + KEY ISSUES | Drawing on a **collective impact ecosystem model**, they aim to create transformative change in three primary ways:

1. **Cultivate** a diverse network of change makers from across the local food system, from farm to fork and beyond, through cross-sector working groups, network events and other civic engagement activities.
2. **Align**: provide strategic guidance to our stakeholder network through facilitation, research, policy development and training.
3. **Make Impact**: translate collaboration into policy outcomes and help incubate, launch, and lead food system initiatives.

Facilitates 5 Working Groups to Organize Ecosystem: Regenerative and Urban Ag ♦ Food Waste Prevention + Rescue ♦ Farm to School and Gardens ♦ Good Food Purchasing Policy ♦ Good Food Economy

Operate 5 Programs: Healthy Neighborhood Market Network ♦ Community Chefs LA ♦ Food Leaders Lab ♦ Network events ♦ Seeds of Change LA

GUIDING DOCUMENT | The current strategic directive for their work is entitled **"Good Food Movement 2018-2023"** and encompasses the following broad headings of work: Close the Access Gap ♦ Grow a Fair Local Food Economy ♦ Strengthen Climate Resiliency ♦ Build Diverse Leadership Capacity.

LEADERSHIP STRUCTURE: LEADERSHIP CIRCLE | EXECUTIVE BOARD

Leadership Circle

The Leadership Circle is comprised of leaders from every sector of the food system, including non-profits, local government, chefs, grassroots advocates, corporate partners, and university researchers and **provides strategic oversight, guidance and support** to the Los Angeles Food Policy Council.

Executive Board

The Executive Board **oversees governance and fiduciary matters** for the organization.

ATTENTION TO EQUITY

- **Forward-Thinking Framework**: encompasses racial equity + inclusivity, environmental stewardship, food sovereignty, wellness, integrity, and mutual respect for the interconnectedness of food system actors. Draws on theories of network-based change, particularly emergent strategy, a dynamic, fractal, nature-based approach to facilitating conscious change. However, the framework **lacks a land acknowledgement**.
- **Organizational Makeup**: primarily staffed by P/WOC, esp. senior levels of the org, board, and leadership circle
- **Community Engagement**: deep attention to residents/advocates → projects and initiatives often emerge from the ground up given the predominance of street vendors, neighborhood markets, and nature of the local food culture

FUNDING SOURCES

Foundations: Jessie Noyes Foundation ♦ CA Wellness Foundation ♦ Flora Family Foundation ♦ Leonardo DiCaprio Foundation ♦ Angell Foundation ♦ Annenburg Foundation ♦ Goldhirsh Foundation/My LA2050 ♦ Activation Challenge

Local Gov: City of Los Angeles Economic and Workforce Development Dept.

Health: Kaiser Permanente Community Benefits Program ♦ American Heart Association Voices for Healthy

📍 Western UP, MI

Very rural | Pop: 311,316

OVERVIEW

OVERVIEW | The Western U.P. Food Systems Collaborative is a grassroots coalition made up of government, non-profit, university, public, and private entities across Michigan's Western Upper Peninsula. Thus far, the Collaborative's website, mission, vision, and case statement are under development (and they state always will be). Working versions are featured below. They have identified an overarching goal and a set of objectives to move towards them. They have been included for the depth of their attention to equity-related and food sovereignty issues as well as the power of their knowledge hub.

Vision: We aim to create a supportive, interconnected, and equitable food system across our region through service and stewardship for the wellbeing of our earth, air, and water, and all living beings.

Mission: We work to strengthen our communities by identifying and supporting our food systems' unique gifts, local needs, and regional priorities.

Goals: Our overarching goal is **to enhance the wellbeing of all communities**, including those with roots, wings, fins, and legs, and the earth, air, and water that gives all communities life, through the following objectives:

ATTENTION TO EQUITY

- **Forward-Thinking Framework:** encompasses racial equity + inclusivity, environmental stewardship, and food sovereignty. The explicit food sovereignty framing is even more progressive than the framing adopted by the Los Angeles Food Policy Council. And the environmental stewardship framing is more progressive than the conservationist approach to even the food systems work in Washington state (otherwise the most environmentally-focused food systems group), which is currently all funded through a per-parcel tax collected in the name of conservation efforts.
- **Land Acknowledgement:** The first landing space of their website begins with a robust land acknowledgement that also extends to the "more-than-human" relatives who also call the region home. They are the *only model* which goes beyond simply having a land acknowledgment to actualizing it. Even though their partner list is still relatively small, they do feature **two** indigenous community partners.

ELEMENTS OF KNOWLEDGE CENER

- **Western UP Story Map**
- **Community Food Resources**
- **Food Sovereignty Resources**
- **Farmers' Markets**
- **Gardens**
- **Funding/Grants**
- **Networking**
- **Reports**

The following list of recommendations reflect the most powerful and impactful approaches emerging from a cross-model thematic analysis of the models reviewed. While the first set of recommendations reflect commonalities gleaned from multiple models, the second set of recommendations emerged from specific models which were approaching their work in the most innovative ways, such that the approach contributed either to more robust funding or impact. The final recommendation emerged from a gap observed not only in food systems work in particular, but in social impact work more generally.

RECOMMENDATIONS BASED ON COMMONALITIES

Dual Governance Structure: All models uplifted in the case study section include an expert-led leadership council which provides strategic guidance for the wider network and a board of directors that supports the backbone org. This reflects a broader trend across not only the most innovative food-systems work but the broader social impact sector as well.

Dedicated Backbone Organization: All of most successful networks are organized around a supporting, dedicated backbone organization and capitalize on the additional services offered, in turn passing that support on to their constituents in the form of additional and more robust services. The broader social impact sector as well. The model from British Columbia is the most powerful example of the scope of work that can be undertaken when organized in this manner. The Los Angeles Food Policy Council underwent a deep transformation in order to be able to serve in this capacity, and, as the newest example, San Diego appears to have organized the work in this manner from the outset of its articulation as the Alliance.

Constellation or Working Groups Model: The Constellation Model as exemplified by British Columbia allows for the organic organizing of collective action (i.e. working groups, coalitions, collaborative projects, etc.); promotes internal self-determination; and enables more graceful dissolution as specific missions and objectives are reached. The working group model is more familiar and simplified and is organized in number and topic to reflect local priorities. Alternatively, a mixed methods approach may be pursued with a few fixed working groups and supplemental constellations arising and dissolving to allow for targeted action groups to arise as needed.

Semi-Annual or Quarterly Whole Food Space Convenings: There is value in these meetings which keep the whole food space informed of the work happening across each sector and offer dedicated time and space for idea germination across the breadth of the container.

RECOMMENDATIONS BASED ON INDIVIDUAL STRENGTHS

Play to Local & State Strengths – King County, Los Angeles, and San Diego: The most successful models embody and leverage the state and local strengths and priorities in the articulation of their programmatic priorities. King County draws from Washington state's culture of conservationism to channel tax dollars collected in the name of conservation towards food systems work. Los Angeles draws from its globally renowned culinary scene, while San Diego integrates marine health into its work. Sacramento could parallel this by more deeply engaging with the meaning of being the Farm to Fork Capital of the United States and the capital of California.

Radical Equity and Inclusion – Los Angeles and Western UP: The most progressive models move beyond the racial equity lens to create a health promoting food system and explicitly center the following: *emergent strategy, food sovereignty, and partnership with indigenous groups beyond a land acknowledgement*. They also include people and women of color at the highest levels of leadership.

RECOMMENDATION BASED ON POTENTIAL FOR GROWTH

Prioritize Digital Storytelling: Though the power and value of storytelling is widely accepted across the food space, stories collected are not always communicated in ways that leverage the power of a digital medium. To this end, prioritizing user interface and experience (UI and UX) is paramount for storytelling.

Reframing the Food System as an Asset Class

This reframe is sourced from the Council of Development Finance Agencies' ['Food Finance White Paper Series'](#) which was produced with support from the W.K. Kellogg Foundation. This reframe provides the underlying theoretical support for the rest of the reports in that series which detail the specific development finance tools (explored in the next section) that can be deployed to bridge the funding gap for food systems work. This reframe presents a novel shift in the approach to funding local food systems transformation work in the US, which has been echoed across high-level entities such as CGIAR and other international development agencies.

The current lack of investment in our food system mirrors the experience of the clean energy sector a decade ago when it was considered too risky and fragmented for sustained investment funding. Given the transformation that the clean energy sector has undergone, this is promising news for food systems partners who are eager for more robust and diversified forms of funding to support the system as a whole.

In its early stages, investment in clean energy was limited, because: 1.) the sector as we now know it was only considered in terms of its individual technologies and institutions, and 2.) risk vs. reward calculations were difficult to compute due to a lack of data, impact metrics, and portfolio performance. To overcome these two problems, the constituent technologies united to build general consensus and strong performance measurements, which demonstrated how investment in clean energy could be as profitable as other sectors where traditional development finance tools had been deployed (i.e. municipal bonds for infrastructure, loans for small businesses, tax credits for community development). The result of this collaborative approach has allowed the clean energy sector to emerge as one of the most sought-out investment classes in the development finance spectrum.

The food system is ripe for undergoing a parallel transformation. Like the clean energy sector, it not only is critical to creating a healthy community, but also provides a comparable economic output. In order to achieve that outcome, a similar two-step process must be undertaken. First, food system partners must present a unified front in order to overcome the investor perception that the system is a siloed set of sectors and efforts. Developing a governance container with a unified voice will aid in achieving this step. This clear definition of the food system will aid in the second step where food partners can connect with development finance agencies to bridge the financing gap and determine which tools would be most suitable for reducing investor risk while establishing a reliable financing streams.

Through this reframe, we can see how the lack of funding in the food system is not for lack of available funding options (once we step outside of the traditional range of grants, subsidies, small biz loans, etc.), but for the lack of coherent channels where the full spectrum of development financing tools can be applied.

The glossary below highlights a range of tools and, where possible, names corresponding examples where those tools have been successfully deployed. Additionally, and where applicable, links to points of further information relevant to their application specifically within California have also been included. The findings below are intended to serve as a springboard for a wider understanding of the options available, and, to reiterate, food partners will first have to collaboratively identify their priorities before pursuing a specific course of action, as some tools are better suited to certain ends than others.

Suggested tools include:

- 501(c)(3) Bonds – for infrastructure development or expansion
- Industrial Development Bonds – for infrastructure development or expansion
- Special Assessment Districts – for sustained programmatic financing

Aggie Bonds | Example: Iowa Beginning Farmer Loan Program

Aggie Bonds, also referred to as Beginning and Expanding Farmer Loan Programs, are small issue bonds managed by the state agriculture department or a similar authority that support qualified farmers and ranchers with eligible purchases of farmland, equipment, buildings, and livestock. Though it is unclear how to access this option in California, the California Debt Limit Allocation Committee, which operates out of the State Treasurer's Office, is currently in conversation with IBank, California's Infrastructure and Economic Development Bank, to design this loan program. Further details can be accessed [here](#). Iowa's Beginning Farmer Loan Program provides affordable financing for new, low net worth farmers for acquiring property to start their journey as farmers.

Industrial Development Bonds | Example: Muffin Man, Inc. – Laurens, SC

Industrial Development Bonds (IDBs), also referred to as Manufacturing Bonds, support either the development or expansion of manufacturing facilities, including the purchase of new machinery and equipment, with a total bond issuance limit of \$10 million. With respect to our food system, this tool could be deployed for either food-related production or processing facilities. [IBank](#) offers this form of financing, as does the [California Public Finance Authority](#) (CalPFA). Please follow each link for further detail about each program. The Muffin Man, Inc. received a \$10 million bond for the development of a new manufacturing facility that would allow them to expand their market base by all their products at new grocery stores.

501(c)(3) Bonds | Example: Project Angel Food - Los Angeles, CA

As the name suggests, only non-profits that qualify for 501(c)(3) exemption can qualify for these bonds that can be used for debt financing or for capital projects, such as the construction, acquisition, renovation, or rehabilitation of facilities and equipment. With respect to our food system, these bonds could be used for food research facilities, food hubs, and communal kitchens. [IBank](#) and [CalPFA](#) offer this form of financing. Please follow each link for further detail about each program. Project Angel Food's mission is to produce and deliver healthy meals in underserved communities where people are too sick to shop or cook for themselves. In 2014, IBank issued \$3.1 million in bonds to support the refinancing of their 17,400 sq. ft. building which includes a commercial kitchen and office.

Opportunity Zones | Example: Harvest Returns Opportunity Zone Fund – Federally designated

Opportunity Zones (OZ) are a federal economic development tool created through the 2017 Tax Cuts and Jobs Act that aim to improve low-income census tracts by offering tax incentives directly to investors who hold their capital gains in an OZ asset or property for a set period of time. If an investor holds for 5 years, they can receive a temporary deferral on capital gains taxes. If they hold for 10 years, they can receive a permanent exclusion on capital gains. With respect to our food system, the Harvest Returns Opportunity Zone Fund is a national investment platform solely dedicated to assisting farmers with agricultural development and job creation.

Tax Increment Financing | Example: Farmers' Market TIF District – Dallas, TX

Tax increment financing works by using anticipated, future property tax revenue to finance the present development or enhancement of site improvements, with a site being defined either as a single property or an entire district. There is additional flexibility in the ability to design a district to suit the needs of development, and the lifetime of a district's designation can vary from 10-40 years based on the timeline required to pay off the costs of development. This option is popular for its ability to utilize tax income for development without actually raising taxes or taking away from available tax revenue in the present. The Farmer's Market TIF District in Dallas was created in 1998 to exist until 2028 with a mission to serve as a funding source for public infrastructure improvements that support revitalization efforts and received \$28.8 million in funding. This framing as a public infrastructure improvement allowed the farmers' market to receive \$20 million of that funding which was used for vendor space, stalls, and restaurants.

Special Assessment Districts | Example: King County Food Systems Program

There are two main subcategories of this tool based whether the district organizer is a business/neighborhood group or a local government. In the former, the district may be managed by local property owners, a non-profit, or a local development agency, though they must be established by local governments. Business owners in the district impose self-assessed taxes on themselves in order to generate funds for physical improvements or other amenities directly benefiting the area. These taxes are paid to local governments but are immediately returned to the non-profit or development agency to deploy. In the second case where the district is run by a local government, local governments take it upon themselves to establish these districts, particularly in underserved communities where investment is lacking. This tool is the best option for sustained programmatic funding. For further information on special assessment districts in California, please see [here](#). For further information of the King County Food Systems Program, please see the case study brief in the following section.

Tax Credits | Example: Food Lifeline's Hunger Solution Center – Seattle, WA

A tax credit is a dollar for dollar reduction of a tax payer's liability, and they exist at both the federal and state levels. Tax credits are a politically popular way to expand the reach of a program's capital stack and are not susceptible to pull backs in economic downturns, which is a possibility other tools can experience. With respect to our food system, these credits have also been used to support beginning farmers, or, as in the example listed above, \$2.6 million in New Markets Tax Credits were one tool of many used to finance the construction of Food Lifeline's Hunger Solution Center, which included a new facility, warehouse, storage and freezer space, classrooms, and office space.

Tax Abatement | Example: n/a

Tax abatements lower or eliminate tax liabilities for businesses that agree to make a significant investment in a qualified project for a set period of time in order to incentivize a business to expand, invest, or relocate into a targeted community that could benefit from further development. The investment be made in the form of physical development, capital investment, research expenditures, job creation, etc. However, in the even that a business fails to meet its commitments, they will be required to repay the abated tax, and such provisions must be included in the language of the agreement.

Revolving Loan Funds | Example: San Diego Small Business Micro and Regional Revolving Loan Fund

Revolving loan funds are a flexible source of capital typically used to develop small and mid-sized businesses where the payments made by existing loan holders are recycled into providing funding for new loans. In order to ensure the balance between existing loans and potential future loans, a reasonable interest rate must be adopted, though this tool is able to offer flexibility with collateral and loan terms. This tool can be used for operating capital, acquisition of land and buildings, new construction and renovations, and purchasing machinery and equipment. San Diego's Revolving Loan Fund provides loans ranging from \$25,00 to \$150,00 at the micro level and \$150,000 - \$500,000 at the regional level.

Loan Guarantees | Example: Texas Agricultural Finance Authority Loan Guarantee Program

There are many types of loan guarantees with varying rules and regulations, but in essence they shift the risk typically taken on by a private lender onto a third party—usually a governmental entity—in the event of a borrower defaulting, in turn encouraging lenders to make more capital available. The guarantees are typically not one-to-one, but instead cover a smaller percentage. They are an attractive option for both governments and lenders, because both can earn a return on investment. The Texas Agricultural Authority supports farmers and ranchers to either enhance existing operations or to establish a business, and funds may be used for working capital, leases of facilities, equipment, or real estate.

Linked Deposit Programs | Example: n/a

Linked deposit programs are a type of business loan with a lower interest rate that is secured by having states or local governments buy down the interest through a deposit. These programs can vary in their rates, deposit amounts and eligibility requirements, but because of this can also be tailored to suit a wide variety of businesses.

Micro Lending | Example: n/a

Micro lending is reserved for micro-enterprises, which are businesses that have fewer than five employees, require under \$35,000 of capital, and have an average loan size of \$7,000. These businesses are often perceived of as high risk; therefore, most microlending programs provide mandatory technical assistance for business development as a condition of the loan to support the development and success of the enterprise.

📍 King County, Seattle area, WA - 2nd most populous city in WA | County pop: 2.3 million

OVERVIEW

King Conservation District's (KCD) Regional Food System Program was initiated to provide a catalyst for making local food production more ecologically and economically sustainable. It distributes grant funding and provides small loans that contribute to the economic viability of local farmers, encourages new farmers, expands acreage in food production, improves food access, and increases demand for King County farm products. It is important to note this is not a county in the traditional sense. It is a special-purpose conservation district committed to helping people engage in stewardship and conservation of natural resources, with a population of over two million people in 34 cities and unincorporated King County.

ELIGIBILITY CRITERIA

Eligible applicants include farmers, producer networks, marketing cooperatives, farmers markets, businesses, schools, special districts, nonprofit organizations, tribes, and jurisdictions within the KCD service area. In the program's first two years KCD awarded \$1.4 million in grants to 20 organizations to implement a wide range of innovative projects to strengthen our local food economy, including:

- Small Scale Chicken Processing Equipment Loan Program
- Farm King County: One-Stop-Shop Farm Services
- Snoqualmie Valley Farmers Cooperative
- Auburn Good Food Bag
- Local Institution Food Team
- Regional Food Systems Metrics Project
- Identifying Direct Market Opportunities and Challenges for King County Farm Businesses

FINANCING OPTIONS

Grant awards have varied from year to year, and it appears that COVID-19 has impacted grantmaking abilities. For example, in 2019, \$600,000 was distributed with the average grant award being either approximately \$100,000 or under \$10,000, and the case was similar for years prior; while in 2020-21 the average award was \$20,000. A match is required in the form of in-kind, cash, or both from applicants and/or partners. Cash match is not required and there is no minimum match amount.

FUNDING SOURCES

Funding which is distributed through this program is generated from three primary sources: a local per parcel assessment fee, state-level grants, and federal grants, all of which are further detailed below.

- **Per-parcel assessment fee:** primary funding source which is essentially a property tax collected in the name of conservation across the especially created "conservation" district. The successful creation of this district reflects the state's commitment to and culture of environmental conservationism.
- **State-level:** WA State Conservation Commission Research Grant ♦ WA Department of Ecology *Although KCD is authorized by the state legislature, it is not a state agency and does not receive an ongoing operating budget from the state's General Fund, as most state agencies do.*
- **Federal Grants:** Urban Resources Partnership ♦ King County Community Development Block Grants *The King County Community Development Block Grants are funds that originally are distributed from the U.S. Dept. of Housing and Urban Development.*

📍 Michigan State | State Population: 10.1 million

OVERVIEW

The Michigan Good Food Fund is a state-wide public-private partnership loan fund providing financing to good food enterprises that benefit underserved communities across Michigan. Since 2015, this initiative has provided more than \$17 million in loans and grants supporting 300+ Michigan-based food businesses that grow, process, distribute, and sell healthy food. The Fund has \$30 million in available resources.

Priorities and Goals: Healthy Food Access, Economic Development, Racial and Social Equity, and Environmental Stewardship.

The Fund was created in partnership with the Fair Food Network, Michigan State University Center for Regional Food Systems, and the W.K. Kellogg Foundation.

ELIGIBILITY CRITERIA

Enterprise qualifications are reviewed based on mission alignment, management strength, business model, and growth potential and preference is given to enterprises advancing racial and social equity, job creation, local sourcing, or environmental stewardship. Projects must increase access to affordable, healthy food in low-income and underserved communities and fit within any of the below categories:

Growers, Packers, Distributors

Bringing fresh, healthy food to communities, schools, and institutions.

Grocery Retailers

Expanding fresh food offerings in low-income and underserved communities.

Good Food Entrepreneurs

Transforming raw produce and ingredients into healthy products.

The Fund finances good food enterprises looking to grow and expand which meet the following criteria:

- Profitable or can demonstrate a path to profitability within 12 months.
- Strong, committed management team.
- Able to provide financial projections for two years including income statements, balance sheets, and cash flow statements.
- Two years of operating history.
- Collateral in the form of business and/or personal assets, corporate and/or personal guarantees.

FINANCING OPTIONS

OPTIONS

- **Loans range from \$2,500 to \$6,000,000**
- **Loan rates start as low as 5% and New Markets Tax Credits** are available for qualified projects.
- **Limited grant dollars** may periodically be available with the goal to prepare enterprises for financing. The Fund does not offer stand-alone grants.

USES

- Permanent Working Capital
- Inventory
- Equipment Purchase
- Real Estate Acquisition
- Construction & Property Improvements
- Facility Expansion or Upgrades
- Business Process Upgrades

FUNDING SOURCES

The funding source that will support an applicant (i.e. underwrite loans made by the Fund) is dependent upon the size of the funding ask. **Loans greater than \$250,000** are underwritten by Michigan Good Food Fund lender Capital Impact Partners. **Loans less than \$250,000** are underwritten by select intermediary lending partners including Detroit Development Fund, Fair Food Fund, Grand Rapids Opportunities for Women, Lake Trust Credit Union, Michigan Women Forward, and Northern Initiatives.

📍 Philadelphia, PA

Largest city in Pennsylvania | City pop: 1,600,000 | City and County boundaries are the same

CORE FUNCTIONS, + KEY ISSUE AREAS

The Philadelphia Food Justice Initiative (PFJI) provides funding for innovative, community-led projects that empower people to exercise their right to grow, sell and eat healthy food as a reflection of their deep commitment to realizing health and food justice. Since its launch in 2019, the initiative has awarded \$1.25 million in grants to advance community-driven solutions to historic food injustice.

Priorities and Goals: Health Justice, Food Justice, Expanding Access to Healthy Food, and Supporting Healthy Food Businesses.

PFJI exists as a partnership between the Philadelphia Department of Public Health’s Division of Chronic Disease and Injury Prevention (CDIP) and the Reinvestment Fund.

ELIGIBILITY

Eligible projects include many kinds of community-driven solutions to create a more just food system that empowers communities to grow, sell, and eat healthy food, with priority being given to projects led by Black, Indigenous, and People of Color, immigrants and people living with disabilities, and those with lived experience with health injustice. Applicants must be located in the City of Philadelphia and may propose a project up to \$100,000. Non-profits, for-profits businesses (including retail and non-retail food businesses), cooperatives, or collectives working on food justice are eligible to apply. Applicants must further make a commitment to be tobacco-free. Projects could include:

Production + Preparation

gardening, incubator, community kitchens, etc.

Distribution

group purchasing, new delivery systems/solutions

Selling Food

either retail or prepared food qualifies

Other

food waste recovery, emergency meals

Beyond the criteria outlined above, there are additional criteria for how funds may or may not be used:

- Funds can support collective work across organizations to grow, make, store, move, cook, or sell food;
- Funds can be for planning, implementation, or marketing;
- Funds cannot be used for hard costs like land, property, building improvements, or equipment over \$500;
- COVID-19 Consideration: Businesses which have closed due to Covid are welcome to apply if they can uphold the Initiative’s goals and criteria.

FINANCING OPTIONS

Approximately \$380,000 is available for annual grant distribution. There is no minimum grant award. The maximum award for any project is \$100,000. There is a potential for renewed funding annually.

FUNDING SOURCES

- Philadelphia Department of Public Health
- Wells Fargo Foundation
- Reinvestment Fund

The Reinvestment Fund is a national mission-driven financial institution working across a range of sectors that creates opportunity for underserved people and places through the provision of financial tools and policy solutions committed to the realization of racial justice.

APPENDIX

CR-FAIR Constellation Model

The following description may be referenced in CR-FAIR's "Good Food Primer" pp. 4-6.

➤ *Description of Constellation Model*

As the Network grows, it is important that individuals and organizations have the opportunity to come together around key needs, concerns and opportunities. These may be reflected within the current strategy or will grow organically through self-organization.

In order to strengthen communication and collaboration, we draw from the constellation model. This model has been frequently recognized for its success in supporting complex systems change that includes diverse stakeholders and interests.

In the model, working groups are formed around shared strategies, issues or functions. Working groups are self-governing and engage their own members as needed to fulfill their functions. They are the forums and engines that drive work forward on the ground. Each has unique elements and reflect different roles and focuses.

These groups determine their priority activities and decide when teams are needed to implement specific action plans. The flexibility exists for each group to devise its own annual work and resource plan but network support from the backbone organization is available if required.

➤ *Examples of the Constellation Model in Practice*

An example of the constellation model at work is the **Food Share Network. Lead by a Steering Committee**, this network is giving leadership to the **Food Access Impact Area** of the strategy. With over 40 members, they have their own objectives, projects and governance and they liaise across various other groups in the system to ensure co-ordination, alignment and shared learning.

The Food Literacy area of the strategy is organized differently. In this area, they have an overarching Food Literacy Working Group and Roundtable that comes together once a year. This working group is supported by a number of sub-level groups that have come together in key areas of strategic concern: **The Neighborhood Food Hubs Working group, Youth and Food Security Community of Practice and the Farm2School Advisory Committee**. Like the Food Share Network, these groups have their own membership and organize themselves around their shared interests and work. They also liaise across various other groups and networks in the system. A practical example of these relationships is the Food Share Network's representation at the Neighborhood Food Hubs Table. Their presence at the table has allowed them to explore opportunities for the distribution of rescued food s through the Hubs.

The Food Economy area is also organized differently. There [originally was no formal working group, though one was slated for development in 2017]. There are, however, a number of active groups and organizations working broadly and in key focus areas. Examples include the Salt Spring Island Agricultural Alliance, the Peninsula and Area Agriculture Commission, the Farmer2Farmer Network, the Farmland Trust working group, and task groups on wildlife conflicts.