



Virginia Fresh Food Loan Fund

Initiated in 2013, the Virginia Fresh Food Loan Fund (VFFLF) is a \$10 million revolving loan fund that enables VCC to provide technical assistance and lending capital to food-based projects in Virginia from farmers to produce aggregators to retailers. To date, VFFLF is supported by Healthy Food Finance Initiative grants provided by the CDFI Fund of the U.S. Dept. of Treasury. Through robust partnerships, this initiative strengthens food-based businesses along the food system value chain, consequently building a more resilient local food economy and increasing access to fresh food for low-income, low-access communities.

Sara Santa Cruz and Lauren DeSimone, Virginia Community Capital

Virginia Community Capital

Virginia Community Capital (VCC) is a community development financial institution (CDFI). VCC Social Enterprise (VCCSE), VCC's holding company, oversees VCC Bank and LOCUS, the impact investing consulting arm of the organization.

VCCSE provides commercial lending, consulting and advisory services (including technical assistance and business development) to underserved communities across the country through partnership, innovation and expertise.

Scan the QR code below to visit VCC's website and learn more about our work.



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OPPORTUNITY

VCC seeks to build the capacity of underserved communities in terms of community organization, entrepreneurial skills and access to fragmented resources. Food access financing is a key part of economic vitality and can drastically improve a community's health and wealth equity. Increasing access to healthy foods requires a holistic financing approach that supports the entire value chain of the food system. Knowing how to access and leverage the array of economic development tools, technical assistance, grants and loans from foundations and federal, state and local governments is critical.

VFFLF's community impact is demonstrated by the 2022 Wakefield Great Valu project. Based in Wakefield, Va. (a rural town in Sussex County), this project ties together technical assistance, state and local partnerships and food system financing.

COMMUNITY CONTEXT

The rural town of Wakefield has a population of roughly 729 people and is nestled within rural Sussex County, where 19.5% of the community lives below the poverty level. The county is demographically diverse: Black or African American (Non-Hispanic) (55.5%), White (Non-Hispanic) (38.5%), Two+ (Non-Hispanic) (2.21%), White (Hispanic) (1.78%), and Other (Hispanic) (0.67%). Located in a low-income, low-access part of the state, Wakefield Great Valu (an independent grocery store) is the only grocery store for miles and serves three counties.



OPPORTUNITY CONT./STRATEGY

Wakefield, needing to update its refrigeration equipment, learned about VCC's VFFLF through the Virginia Food Access Investment Fund Grants (VFAIF) and was able to take advantage of the loan fund's credit enhancement tools to explore loan products with sub-market interest rates for mortgage refinance (term loan + SBA) and equipment purchases (term loan). VCC subsidized the rate on both loans to offer the borrower a below-market rate using the balance of their Healthy Food Financing Initiative buydown funds. Additionally, VCC's loan loss reserve enabled a 100% advance on the new equipment (the normal advance is 75%).

These infrastructure changes enabled Wakefield to expand its healthy food inventory, including increased produce, dairy and meat offerings. These benefits were compounded by the Virginia Fresh Match nutrition incentives the store began offering, which provided a 50% discount on all fresh produce for customers making purchases with their EBT card. Along the way, partnerships were created among the county's municipal leadership, the Industrial Development Authority and area community foundations. These collaborators explored how their respective resources might further leverage the store's investment in increasing healthy food access in their rural region, which continues to be a shared goal among all partners.



OUTCOMES

- A creative capital stack, including a \$50,000 VFAIF grant
- Increased SNAP and Virginia Fresh Match participation
- Increased food access in rural Virginia
- Trust built across stakeholders: Wakefield Great Valu, customers, VCC, state government and local organizations.

LESSONS LEARNED

- The process of investing in rural areas is iterative and place-based. Additionally, food financing often takes many months or even years.
- VCC continues to operate under the knowledge that community-focused projects happen and succeed at the speed at which trust is built.
 - Access to a seamless spectrum of capital and acuity is required to navigate complex financial landscapes.
 - Understanding of the nuance of food system development, including food apartheid and systemic disinvestment.
 - It takes collaboration across public and private sectors – and most importantly, the community – to bring financial resources to food and farm projects.

NEXT STEPS

- VCC is currently reassessing its food financing program to determine how it can have a greater impact for target communities. Goals include:
- Continue building a robust network of place-based, wraparound resources for food and farm businesses.
 - Review existing food lending/financing trainings and updating them so that CDFI staff—across all departments—can share a baseline understanding of the nuance and creativity needed to assess and support food projects.
 - Refine our technical assistance application and selection process so it is easier to navigate and is more equitable.