

**HEALTHY RETAIL  
AND COMMERCE FUND**  
supporting small businesses  
that build healthy communities

*Featured Partner*

# SOUTHSIDE COMMUNITY LAND TRUST

January 2022

## **The Healthy Retail & Commerce Fund (HRCF)**

provides financing for health-promoting businesses and organizations, such as community grocery stores that sell healthy food at affordable prices or nonprofits that provide services to address health disparities in low- and moderate-income neighborhoods throughout New England. This unique Fund, created through a partnership of Conservation Law Foundation (CLF) and Massachusetts Housing Investment Corporation (MHIC), leverages financing from hospitals, health plans, and philanthropy to provide loans to enterprises that have a positive impact on community health.

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***The Kresge Foundation.***



## **Southside Community Land Trust (SCLT)**

- SCLT's mission is to provide access to land, education and other resources so people in Rhode Island can grow food in environmentally sustainable ways and create community food systems where locally-produced, affordable and healthy food is available to all.
- HRCF is making a \$2.15+ million loan to SCLT with funding from The Kresge Foundation, Blue Cross & Blue Shield of Rhode Island, Neighborhood Health Plan of Rhode Island and MHIC.
- The loan supports the development of 404 Broad Street – SCLT's Healthy Food Hub, which will include a Farm-to-Market Center, Youth Enterprise Center, commercial kitchen, new office and program space for the organization and three retail spaces for local food entrepreneurs – with priority given to entrepreneurs of color and minority business enterprises.



## Organization Description

Southside Community Land Trust was founded in 1981 when residents of South Providence and newly-arrived Hmong refugees worked together to build the area's first community garden and grow nutritious and culturally familiar foods. Somerset Garden not only improved residents' diets and economic self-reliance, but it also stabilized a neighborhood weakened by arson, neglect and crime. Today, SCLT continues to build a fair and accessible local food system in Rhode Island by offering access to land, training, resources and support to community and backyard gardeners, beginning farmers and young people.

SCLT oversees a network of 52 community gardens and urban and rural farms on 51 acres in Providence, Cranston, Pawtucket, Central Falls and Tiverton. The majority of the 355 gardeners and 25 farmers growing on this land are low-income with many coming from immigrant and refugee communities. Many are growing culturally familiar foods that are not widely available in local grocery stores and using the earnings from farming to supplement their incomes.

SCLT supports beginning farmers through an apprentice program, extensive business services and technical training and access to farmland. Through these programs, SCLT strengthens the pipeline for new farmers in Rhode Island and builds the infrastructure to bring affordable, healthy food into low-income neighborhoods where it is most needed.

More than 3,000 families are eating from SCLT community gardens, and urban and rural farms in the SCLT network supply fresh produce to over 12,000 customers each year through 20 farmers markets and 100 local restaurants and food businesses.

In addition, through SCLT's Youth Education and Employment Program, roughly 225 elementary and middle school children and 40 high school students per year, including roughly 10 refugee youth at any given time, learn the fundamentals of growing and preparing healthy food while developing knowledge and leadership in the areas of environmental and food justice.



## Project Description and Loan Uses

Located just a few blocks from SCLT's current offices, the 404 Broad Street project consists of renovating and outfitting a 12,000 square-foot building for the following uses and objectives:

1. The project will create a Farm to Market Center with a modernized produce washing, processing, aggregation and storage facility for use by low-income farmers participating in SCLT's programs. Currently, SCLT's aggregation program serves 25 farm businesses. Most participating farmers operate part-time to generate supplemental income, and some become successful enough to farm full-time. The new facility will ease capacity constraints, allow SCLT's aggregation program to operate more frequently, and meet the current demand from its farmers. In addition, the new facility will allow SCLT to pursue relationships it has been developing with retailers and restaurants that sell food to consumers in low food access neighborhoods, creating new market opportunities for its farmers.
2. 404 Broad Street will include three retail and commercial spaces (totaling 2,900 square feet) that will be leased to local entrepreneurs. The owner of a restaurant in Pawtucket has signed on to operate a café. He is retooling his menu with the help of an SCLT nutritionist and vegan chef to offer healthy food sourced from SCLT's farmers. Tenants for the other spaces will be recruited locally, and priority will be given to entrepreneurs of color. These retail and commercial spaces will not only become home to three new or expanded healthy food enterprises, they will also provide new local outlets for products from SCLT farms and increase access to affordable, healthy, locally-grown food for neighborhood residents in South Providence.
3. 404 Broad Street will also provide an improved headquarters for SCLT, including ample office space for SCLT staff, as well as a permanent home for SCLT's youth enterprise program with more capability to support career development activities. The project will provide participating youths a dedicated indoor space, including access to computers, allowing for broader educational opportunities with emphasis not only on growing food but also on preparation for food sector careers.

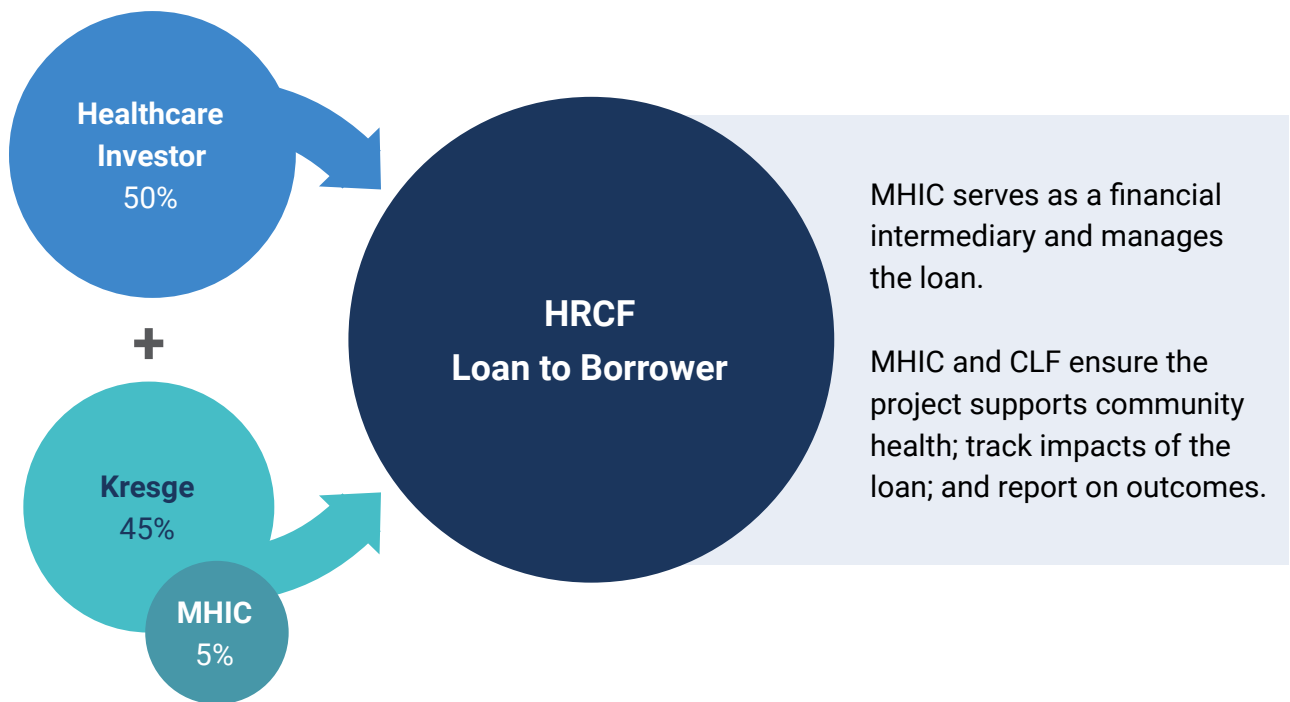


This loan fills the remaining financing gap to bring the project to fruition. SCLT operates programs to address food insecurity; increase access to affordable, healthy, locally grown food; and support rural and urban low-income residents who farm with land, training, supplies, business services, outlets for their produce and supplemental income. Most of the participants hail from Latin America, Southeast Asia, South Asia or Africa.

## Loan Terms

### HRCF Threshold Criteria

- Loan amount of \$500,000 to \$4.0 million
- Accessibility via public transit (within a half-mile)
- Serves economically distressed communities
- Mission to provide quality jobs and health-promoting goods and services such as fresh, healthy foods that are accessible and affordable to low- and moderate-income populations
- Eligible uses of funds include but are not limited to site acquisition, construction/fit-out, equipment purchase, soft costs and reserves



**Loan Amount:** \$2,158,200

**Borrower:** Southside Community Land Trust

**Lenders:** The Kresge Foundation, Blue Cross & Blue Shield of Rhode Island, Neighborhood Health Plan of Rhode Island and Massachusetts Housing Investment Corporation

**Financial Intermediary/Fund Manager:**  
Massachusetts Housing Investment Corporation

**Impact Screening and Reporting:** Conservation Law Foundation






**Loan Purpose:** Development of SCLT's Healthy Food Hub at 404 Broad Street in Providence, RI

**Term:** 7 years

**Interest Rate:** 3%

## Community, Health and Environmental Impacts

The fund sponsors screened this loan for multiple community, health and environmental impacts in the underwriting process, and the team will continue to monitor achievement of these anticipated outcomes. Multiple impacts include improved healthy food access, increased employment and income, enhanced environmental sustainability and other community benefits. See impact highlights for this loan below:

Impact Highlights	Metrics	Pre-expansion 2021	Projected by 2024
 <b>Healthy Food Access</b>	Number of farmers served	25	31
	Dollar value of produce sold annually	\$30,000	\$100,000
 <b>Quality Jobs</b>	Number of full-time jobs with SCLT	11	13
	Number of full-time jobs with 404 Broad Street retail business	0	16
 <b>Community Connections</b>	Community Space	0	Youth education, community programming and meeting space
 <b>Environmental Sustainability</b>	Sustainable building practices to be utilized at 404 Broad Street	–	Re-use of existing building materials, high performance building envelope, solar-ready roof, electric HVAC, and water and energy-efficient fixtures
	Seed library to be developed at 404 Broad Street	–	Storage space for thousands of organic heirloom, non-GMO, and chemical-free seeds
 <b>Revenue Growth</b>	Total SCLT Operating Budget	\$1.1M	\$1.4M



### Healthy Food Access:

404 Broad Street will help farmers bring more food to market; permit SCLT to teach more young people about farming, nutrition, and food systems; and expand SCLT's capacity to support their farmers and gardeners. The 12,000 square-foot, two-story building will be designed to support a growing urban farm sector that increasingly meets the needs of people who live in the adjacent economically challenged communities. The modernized, FDA-compliant wash station and cold storage for SCLT's production farms and its aggregation program will make it easier for small, urban, and beginning farms to get food to customers in Southside neighborhoods. And local food enterprises in the three retail spaces will further increase access to healthy, fresh food for neighborhood residents.

SCLT is now in its fifth year of operating a food aggregation program. Produce is dropped off from participating farms weekly and then delivered to local customers, including retailers and restaurants. The program is operating at capacity in SCLT's current facility, but the 404 Broad Street facility will provide the additional, in-house processing and cold storage capacity needed to allow the program to purchase additional crops, serve new customers, and grow significantly.



### Quality Jobs

SCLT estimates that the expansion into 404 Broad Street will create two full-time positions at SCLT, including the aggregation program manager and one additional role. The aggregation program manager will be hired by SCLT and will ensure efficient operations. In addition, SCLT estimates that the new healthy food enterprises in 404 Broad Street's retail space will create 16 jobs over the three years following the completion of 404 Broad Street. Finally, through the SCLT's Youth Education and Employment Program, roughly 225 elementary and middle school children, as well as 40 high school youths per year, gain exposure and learn the fundamentals of growing and preparing healthy food while developing knowledge and leadership in the areas of environmental and food justice.



### Community Connections:

The original 404 Broad Street building was constructed in phases between 1855 and 1882 and originally used as a livery. The building is located directly adjacent to the Trinity Square nationally designated Historic District, and its renovation will positively impact the revitalization that is underway in the area. The renovated facility will provide ample youth education and meeting space as well as room for SCLT staff who provide services and programs for farmers, youth, and the community. Longer term, the goal is for the project to catalyze improvements to the entire block between the building and the Youth Enterprise Farm – generating a new sense of place and a safe and welcoming environment for area residents, students, and visitors.



### Environmental Sustainability

The project will include significant green building components, public art and infrastructure improvements to the entire block between the building and SCLT's Youth Enterprise Farm. In addition to increasing market opportunities for farmers growing chemical-free produce on SCLT's farms, plans for the 404 Broad Street facility include:

- Sustainable building practices – including re-use of existing building materials, a high-performance building envelope, solar-ready roof, electric HVAC and water and energy-efficient fixtures.
- Seed library – a storage space where thousands of organic heirloom, non-GMO and chemical-free seeds are stored for distribution to hundreds of farmers and gardeners every spring.





## Benefits to Investors

There is extraordinary opportunity to leverage and align impact investment capital for retail and commercial spaces that positively affect neighborhood health and well-being in historically disinvested communities. The Healthy Retail & Commerce Fund (HRCF):

- demonstrates a strategy to address financing needs and barriers for health-promoting for-profit and nonprofit enterprises in low- and moderate-income communities;
- supports positive community health outcomes; and
- provides a model that can be replicated in a variety of locations and markets.

Not only does HRCF provide opportunities to invest in social determinants of health, but the investment structure also provides a model for how to scale health-promoting community investments through third-party fund sponsors. Fund sponsors such as CLF and MHIC can efficiently aggregate both loan opportunities and capital; provide rigorous underwriting, monitoring and reporting for each loan; and manage the loan portfolio. By partnering with CLF and MHIC, impact investors can achieve greater impact at scale.

One of the impact goals of HRCF is to attract more social impact capital to invest in community development, including critical building blocks for healthy neighborhoods like healthy retail and commerce. For this HRCF loan to Southside Community Land Trust, Blue Cross & Blue Shield of Rhode Island and Neighborhood Health Plan of Rhode Island (Neighborhood) provided \$455,000 and \$500,000 loans, respectively, to match loans from The Kresge Foundation and MHIC for a combined total loan of \$2,158,200. For Blue Cross & Blue Shield of Rhode Island and Neighborhood, the financial return is full repayment of principal plus a 1% annual interest rate over the 7-year loan term.

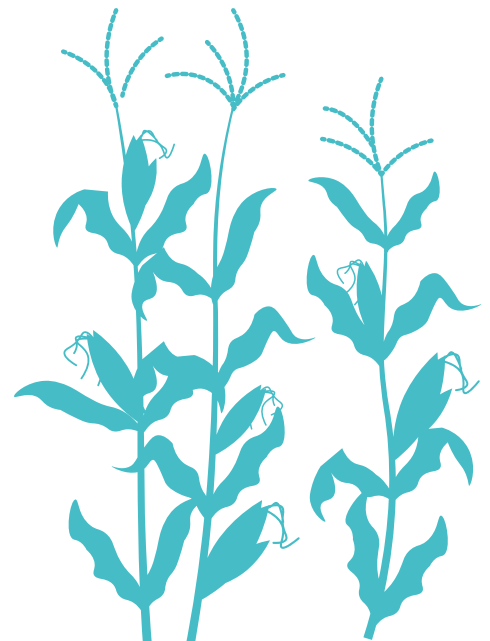
This loan is a leading-edge example of two health insurers engaging in a community development investment within their service area and, by doing so, supporting the health and well-being of South Providence and surrounding communities.

**“ It takes vision and creativity to make healthy food available in places where it is hard to find. Our health insurance partners, along with the Healthy Retail and Commerce Fund, are showing just that kind of vision. Their investment today will improve health outcomes for many years to come.”**

**Margaret DeVos**  
Executive Director,  
Southside Community Land Trust

**Conservation Law Foundation (CLF)** protects New England's environment for the benefit of all people. CLF uses the law, science, and markets to create solutions that preserve our natural resources, build healthy communities, and sustain a vibrant economy. For over 50 years, CLF has worked on issues affecting the health and well-being of New Englanders. From the cleanup of Boston Harbor to pioneering laws to prevent childhood lead poisoning, CLF has been at the forefront of efforts to create sustainable, long-term solutions to environmental challenges. CLF is also co-sponsor of innovative impact investment funds that advance our mission, including the Healthy Neighborhoods Equity Fund (HNEF) and the Healthy Retail and Commerce Fund (HRCF). We bring deep expertise in impact investing, as well as impact measurement, including the development and implementation of HealthScore - an innovative screening tool that assesses the community, environmental, and health benefits of potential HNEF investments. CLF's impact investing and measurement work is grounded in scientific research, including our landmark Healthy Neighborhoods Study.

**Massachusetts Housing Investment Corporation (MHIC)** is an innovative private financier of affordable housing and community development, providing financing that would not otherwise be available, and extending the impact of that financing to ensure the broadest possible benefit. MHIC has raised over \$3.1 billion, much from repeat investors, and has \$1.2 billion of assets currently under management. Over 31 years, MHIC has financed 636 developments, representing more than 24,500 homes and 6.2 million sq. ft. of commercial space. MHIC is a deep value investor, targeting its financing with community partners on transformative investments. MHIC is co-sponsor and fund manager for HNEF and HRCF.



#### To Learn More

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