National Food Policy Conference: The California FreshWorks Fund

October 3, 2011

Presented by:
Tina N. Castro
Director of Impact Investing, The California Endowment
Health Happens Here…

“The social determinants of health including poverty, racism, and hopelessness.”

Poor Health Outcomes

How do we make investments to create healthy social, economic, and built/natural environments?
Building Healthy Communities is a 10-year, $1 billion program of The California Endowment. 14 communities across the state are taking action to make where they live healthier. They’re doing this by improving employment opportunities, education, housing, neighborhood safety, unhealthy environmental conditions, access to healthy foods and more. The goal: to create places where children are healthy, safe and ready to learn. Ultimately, we’re aiming at nothing less than a revolution in the way all of us think about and support health for all Californians.

The Communities

Boyle Heights  City Heights  East Oakland  Richmond  South Los Angeles
Central Santa Ana  Del Norte County and Adjacent Tribal Lands  East Salinas (Alisal)  Sacramento  Southwest Merced/East Merced County
Central/Southeast/Southwest Fresno  Eastern Coachella Valley  Long Beach  South Kern
The California FreshWorks Fund is a public-private partnership loan fund intended to finance grocery stores and other forms of fresh food retail and distribution in underserved communities throughout CA. It is modeled after the PA Fresh Food Financing Initiative and it has been developed to align with the National Healthy Food Financing Initiative.

<table>
<thead>
<tr>
<th>Fund Size:</th>
<th>$200 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses of Capital:</td>
<td>Loans &amp; Grants</td>
</tr>
<tr>
<td>Capitalization:</td>
<td>Debt &amp; Grants</td>
</tr>
<tr>
<td>Program Eligibility:</td>
<td>Healthy Food Retailers &amp; Distributors (See Program Guidelines)</td>
</tr>
<tr>
<td>Launched:</td>
<td>July 2011</td>
</tr>
</tbody>
</table>
Goals

Access

Increase access to healthy food as a means to improve health outcomes.

Economic Development

Spur economic development that supports healthy communities

Innovation

Encourage innovation in healthy food retailing and distribution
Partners

Industry
- Unified Grocers
- CA Grocers Association
- Emerging Markets, Inc.

Nonprofit
- PolicyLink
- Community Health Councils
- Social Compact

Government
- Community Redevelopment Agency of Los Angeles
- USDA CA Office of Rural Development

Investors
(Grant and/or Debt)
- The California Endowment
- NCB Capital Impact
- NCB, FSB
- Calvert Foundation
- Catholic Healthcare West
- Kaiser Permanente
- JPMorgan Chase
- Morgan Stanley
- US Bank
- Bank of America
The California FreshWorks Fund
$200 Million

**Term Debt**
$125 Million

- **Senior Debt** $100 M (80%)
- **Sub Debt** $25 M (20%)
- **Grant (CE)** $7.5M

**New Market Tax Credits**
$50 Million

- **Debt** $38M
- **Tax Credit Equity** $12M

**Other Lending**
$25 Million

- **PRI**
- **Grant**

Higher risk capital for innovative projects and/or projects that have the ability to repay but are not traditionally underwriteable.

**Individual Credit Enhancement**
SBA 7a, USDA B&I, CalCap Etc.

**Loan**
The California FreshWorks Fund Initiative provides investors with a way to support CAFWF through the purchase of Calvert Foundation’s Community Investment Note.* This will allow stakeholders across California to support healthy food access and economic development in underserved communities. Notes are available online, in brokerage accounts, and with a check and application.

Min Investment: $20
Rate & Terms: 0.5% for 1 yr
1.0% for 3 yrs

Min Investment: $1000
Rate & Terms: 0.5% for 1 yr
1.0% for 3 yrs

* Calvert Social Investment Foundation, a 501(c)(3) nonprofit, offers the Community Investment Note, which is subject to certain risks, is not a mutual fund, is not FDIC or SIPC insured, and should not be confused with any Calvert Group-sponsored investment product. This slide is neither an offer to sell nor a solicitation of an offer to buy these securities; the offering is made only by the prospectus, which should be read before investing.
Contacts

**Program Administrator:**
**NCB Capital Impact**
1333 Broadway, Suite 602
Oakland, CA 94612
Contact: Scott Sporte, Chief Lending Officer, Community Investment Group
510-496-2233
SSporte@ncbcapitalimpact.org
Contact: Catherine Howard, Senior Program Manager California FreshWorks Fund
510-496-2235
CHoward@ncbcapitalimpact.org
www.ncbcapitalimpact.org/healthyfoods

**Food Access Organization:**
**Emerging Markets, Inc.**
1024 North Orange Drive, Suite 120
Los Angeles, CA 90038
Contact: Daniel Tellalian, Director
323.465.0406
dtellalian@emergingmarkets.us
Contact: Veronica Saldaña, Business Development Officer California FreshWorks Fund
323-465-0406
vsaldana@emergingmarkets.us
www.emergingmarkets.us