

March 26, 2021

Michael J. Heffernan, Secretary
Maya Jonas-Silver, Director of Capital
Executive Office of Administration and Finance
State House, Room 373, Boston, MA 02133

Dear Secretary Heffernan and Ms. Jonas-Silver:

We are writing to thank you for your support of the Massachusetts Food Trust Program (MFTP) and to respectfully request that \$3 million be included in the FY22 capital budget to support continued implementation of the program.

The MFTP is a public/private partnership overseen by the Massachusetts Department of Agricultural Resources and administered by the Local Enterprise Assistance Fund (LEAF) and Franklin County Community Development Corporation (FCCDC). The program provides flexible financing in the form of loans, grants, and business assistance to healthy food retailers and other food sector businesses to support them to overcome the barriers to entry, expansion, and success in low- and moderate-income communities underserved by healthy food retail.

Since its launch in late 2018, the MFTP achieved the following impressive results:

- Improved access to healthy food retail for **more than 211,000 residents**
- Supported **more than 550 jobs, 91% hired from within the local communities**, and
- Leveraged **\$5.7m in private and federal dollars to support the MFTP** and an additional **\$8.1m in funding at the project level**, using less than \$3m in state seed funding provided in the FY19-21 capital budgets.

To date, the MFTP has supported 27 projects (representing 25 unique entities) across 10 of the 14 Massachusetts counties. **40% of these businesses are owned or controlled by a person of color and 60% owned by a woman.** MFTP has also offered relief during the COVID-19 pandemic by distributing small emergency grants, including several bridge loans to Food Security Infrastructure Grant Program (FSIGP).

Demand currently outstrips the availability of funds. As of March 1, 2021, \$1.7 million in eligible projects are under due diligence and \$2.3 million in projects under eligibility review. **Without increased state capital funding, the MFTP administrators will have to turn away high quality, eligible projects and will forego opportunities to leverage additional private and federal funds** that could directly support communities underserved by healthy food retail.

The capital funds released by the state to the MFTP offer local food businesses a “friendly capital” option for financing. The subordinated and below market rate loans provide the flexibility to adapt financing to the needs of the borrower and provide a starting point that draws traditional capital lenders to the project. Grants provided through this program

supplement loan financing and support projects that will require loan financing in the future. This lessens the risk for borrowers and incentivizes other funders to come to the table. The MFTP also provides pre-and-post loan business assistance, in order to ensure that entrepreneurs are getting access to the resources they need to be successful and sustainable.

Local food businesses create opportunity. Food businesses provide good paying jobs to people with varying levels of skills, education, and language proficiency – and they can't be outsourced. The Massachusetts Food Trust Program means jobs, economic development, and increased access to healthy food in communities across Massachusetts.

Thank you for your attention to this request. Please do not hesitate to contact us if you have any questions about this critical program.

Sincerely,



Maddie Ribble, **Massachusetts Public Health Association**



Joe Kriesberg, **Massachusetts Association of Community Development Corporations**



Gerardo Espinoza, **Local Enterprise Assistance Fund**



Allyson Perron Drag, **American Heart Association**



Winton Pitcoff, **Massachusetts Food System Collaborative**



John Waite, **Franklin County Community Development Corporation**

cc: Secretary Kathleen Theoharides, Executive Office of Energy and Environmental Affairs
Undersecretary Dan Sieger, Executive Office of Energy and Environmental Affairs
Commissioner John Lebeaux, Department of Agricultural Resources