



Healthy Food Financing Initiative Frequently Asked Questions

What is the Healthy Food Financing Initiative?

El Paso County's Healthy Food Financing Initiative (HFFI) is a public-private partnership that offers grants and loans to businesses and non-profit organizations to support and accelerate the construction, establishment, rehabilitation, and/or expansion of food retail and food retail infrastructure that will increase healthy food options for currently underserved residents in El Paso County.

When did HFFI start, and who manages the program?

El Paso County passed an HFFI policy in late 2018, and the first HFFI projects under the program were funded in February 2020. The program is managed by El Paso County's Economic Development Department and the Center for Community Health Impact at The University of Texas Health Science Center at Houston (UTHealth Houston) School of Public Health in El Paso.

Who is eligible to apply?

Applicants may be for-profit businesses or non-profit organizations, and primary business activities must take place within El Paso County. Applicants may be one of the following: regional grocery chain, national grocery chain, singular grocery retail outlet, food hub, farmer's market, or mobile market. Other food retail models offering healthy and affordable food will also be considered. Real estate projects that will lease space to a grocery store or other food retail outlet that will sell healthy and affordable food may also apply.

When are applications due?

Applications will be accepted from March 1st to April 30th. Prospective applicants are strongly encouraged to get started on their applications as soon as possible and seek assistance with business planning and budgeting.



Can restaurants apply?

No. Ineligible entities include large department stores of which groceries are only one department, restaurants, cafes, bakeries, pharmacies with grocery sections, businesses with alcohol or tobacco sales as the primary source of revenue, and public entities.

Can my food pantry apply?

No, not unless you sell food. HFFI offers grants and loans to businesses and non-profit organizations to support and accelerate the construction, establishment, rehabilitation, and/or expansion of *food retail and food retail infrastructure*. A food retailer is a place of business where consumers can purchase food and take it with them to be consumed off-premise. Examples include (but are not limited to) regional grocery chains, national grocery chains, singular grocery retail outlets, food hubs, farmer's markets, mobile markets, and other food retail models offering healthy and affordable food.

What kinds of projects are eligible?

The HFFI program aims to expand access to healthy and affordable food in areas of El Paso County that have low access to grocery stores and other food retail. Eligible projects include the construction, establishment, rehabilitation, or expansion of food retail and food retail infrastructure that will increase healthy and affordable food options for currently underserved residents in El Paso County.

To be eligible, an applicant must demonstrate a plan to:

1. Open a new retail outlet or expand an existing small or disadvantaged food enterprise primarily selling healthy and affordable food items; or,
2. Improve an existing small or disadvantaged food enterprise's ability to stock and sell a variety of healthy and affordable food that had previously been limited; or,
3. Develop a real estate project that will lease space to a grocery store tenant that meets the criteria under sections a) or b) above.
4. Each project is unique. One store owner may propose a project to purchase refrigeration for use in the sale of fresh produce. Another may propose opening a new location.



What sorts of project activities are eligible?

- Pre-Development
- Site Assembly
- Improvement
- Construction & Rehabilitation
- Equipment
- Staffing
- Staff Training
- Security
- Inventory
- Working Capital
- Marketing
- Nutrition Education

How much funding is available?

For 2023, a total of \$1,000,000 is available for HFFI projects in El Paso County. El Paso County has dedicated \$500,000 in grants for HFFI projects. An additional \$500,000 is available in low-interest loans through PeopleFund, a community development financing institution that has partnered on the program. HFFI funds large and small projects. **The max grant to be awarded for one project is \$150,000.** In rare circumstances, a larger grant may be considered.



Can I use HFFI funding to cover my businesses' debt?

HFFI funds may not be used to refinance existing debt, pay tax arrearages or government fines, engage in political or religious activities, buy out any stockholder or equity holder in the borrower's business, or to purchase instruments or investments for the sole purpose of a return on investment.

Can I apply for an HFFI grant and a loan?

Yes. Grants will generally not exceed \$150,000, and 30-50% of the proposed project's total cost should include financing or other owner's equity. You are encouraged to apply for an HFFI grant and a PeopleFund low interest financing loan package.

What happens if my application is accepted for HFFI funding?

Once the El Paso Commissioners Court acts on the grant recipient recommendations, if approved, funds are disbursed. Grant awardees report progress quarterly to the Economic Development Department, which are shared with the UTHealth School of Public Health.

What does it mean to have "Owner's Equity"?

Owner's equity refers to what you already have. For example, cash on hand, real estate, inventory or equipment, existing financing, etc. Essentially, this is making sure that you are able to bring something to the table and show that you are investing yourself in your business, as well as seeking outside funding.

I am a sole proprietor. Can I apply for funding?

Yes. You will be required to go through all of the financial review process that is required of any other business.



When does financial review take place?

Within 60 days of the application deadline, applicants will be told whether they are moving forward to financial review. El Paso County will receive recommendations regarding which proposed projects have the most merit. The County will then initiate the financial review phase of the application process with the support and guidance of People Fund, a community development financial institution (“CDFI”). The CDFI will verify each proposed project’s financial eligibility and viability and assist with recommending which Proposed Projects should be presented to Commissioners Court for approval. Following financial review, projects will be presented to Commissioners Court, who will vote on funding each project. If approved, you will receive notification that your project has been approved for funding.

Can you offer me any tips for my application?

Yes. Below is a list of tips to keep in mind when working on your application:

- Be clear and specific in your application.
- Answer every part of every question.
- Explain how the project will increase healthy and affordable food.
- Describe your customers by location, income, demographics.
- Describe your current and future products.
- Consider everything needed for the project and the different sources of funding available to you (grants, loans, other investments) .
- If some elements of your plan are not yet finalized, include the current status of your plan and as many details about your project as possible.
- Don't be late! Start on your application early so that you have enough time to prepare all that is needed in your application packet. Reach out to the SBDC early if you need assistance with your plan.