America's HEALTHY FOOD FINANCING INITIATIVE
REINVESTMENT FUND

HFFI Local & Regional Food Financing Partnerships Program

Frequently Asked Questions

Updated 10/31/2023

Please note, this FAQ will be updated periodically with additional questions and resources.

Eligibility

- **Who is eligible to apply for the HFFI Partnerships Program?**

This program is for local, state, or regional food financing funds/programs that are providing loans, grants, and technical assistance to food retail and food enterprise businesses. Partnerships (two or more entities) are eligible to apply (not individual entities). One of the entities must be a public entity. A Partnership is a regional, state, or local public-private partnership that is organized to improve access to fresh, healthy foods and provides financial and technical assistance to eligible projects.

- **I own a grocery store (or I am developing a new grocery store) in an underserved area, can I apply for this grant?**

The HFFI Partnerships Program grants are for Food Financing Programs that provide loans, grants, and technical assistance to food retail and food enterprise businesses. This grant program is not intended for individual food retail projects that need capital for their store, even if they have a partnership. There will be future funding available for food retail and food enterprise projects.

- **Does a public entity have to provide funding to the Partnership?**

The entities in the partnership may determine the best roles for each entity. There are no required roles that the public entity or any other entity must fulfill in the food financing program. The application should describe what role each entity will play and how this will achieve the impacts of the program being proposed.

- **Are food policy councils public entities?**

It depends on the food policy council. Councils that are boards of commissions of a public entity (city, county, state, etc.) will most likely be considered public entities. These councils usually have members appointed by a public body and are staffed by public employees. Food policy councils that are separate entities (501(c)(3)s or fiscally sponsored) are most likely not public entities. Reinvestment Fund can review each entity on a case-by-case basis. Contact us at help@investinginfood.com if you have further questions.

- **I am with a public charity 501c3 organization, do we count as a public entity?**

No, 501c3s and other non-profits do not count as public entities for the HFFI Partnerships Program.

- **If we're providing loans on a statewide basis, is it okay if our public partner is a city agency?**

There is no requirement for who the public entity is in the Partnership. The Partnership may determine what the right role is for each partner entity to play and explain this in the application. Application reviewers will look to the Partnership's ability to implement the proposed program. A stronger application will have a public partner that is appropriately situated to fulfill its role and contribute to the success of the Food Financing Program as a whole.

- **Why is a public partner required for the HFFI Partnerships Program?**

Public-private partnerships are written into the Farm Bill's description of the HFFI program. While a public entity partner is a requirement, there is no requirement for who the public entity is in the Partnership or what role that entity must play. The Partnership may determine what the right role is for each partner entity to play and explain this in the application. Application reviewers will look to the Partnership's ability to implement the proposed program. A stronger application will have a public partner that is appropriately situated to fulfill its role and contribute to the success of the Food Financing Program as a whole. Public entities must submit a letter of commitment in the application and, if the Partnership is awarded funding, have an MOU or other formal agreement with the lead applicant. It is not a requirement that the public entity provide or receive funding through this grant program.

- **Who is a qualified lender?**

Qualified Lenders are defined in the RFA: "Qualified lenders are regulated or non-regulated lenders that may provide financing to HFFI eligible projects. Lenders include, but are not limited to, Community Development Financial Institution (CDFI)s, Credit Unions, Development Finance Agencies, and Community Banks." If an organization is able to provide loans to eligible food retail and food enterprise businesses in underserved areas, then it is most likely eligible to apply as the lender partner for a HFFI Partnerships Program application. The strength and final qualifications of the lender will be evaluated in the application review process. Another piece to consider when determining who is the best lender for your food financing program is that the lender will need to provide a legal opinion describing the Grantee's ability to lend in the Grantee's service area (this can be done after the grant is awarded).

- **What is a public entity?**

For the HFFI Partnerships Program, the Partnership is between at least two entities, one of whom must be a public entity. A public entity could be a local, state, or tribal government, authority, or agency, a public university, or a public hospital, among others. Examples of public entities:

- State, regional, and local governments and governmental agencies, authorities, commissions, and councils
- Tribal governments and tribal governmental agencies, authorities, chapters, and councils
- Public universities (including agriculture extensions) or hospitals
- Councils of Governments and Metropolitan Planning Organizations
- Some Food Policy Councils (see question above for more details)
- Federal Regional Commissions and Authorities

- **Can we have more than two partner entities in the Partnership?**

Yes, there is no limit to how many partner entities are in a Partnership. The Partnership should determine the best roles and funding allocations for the proposed food financing program to be successful. All partner entities that are receiving funding and/or are helping the Partnership to be eligible for this program must submit signed Letters of Commitment. Letter of Support may be submitted from additional partners or stakeholders.

- **Can we submit two applications for different partnerships?**

Each Partnership can only submit one application to the HFFI Partnerships Program. Lead applicants may only lead one application. Partner organizations may be listed as partners to multiple submissions. Keep in mind that this is a competitive grant program. If you are a partner entity in multiple applications, those Partnerships are competing against each other for funding.

- **Can potential loan/grant recipients also be partners?**

This is allowable under the guidelines for the HFFI Partnerships Program. Some things to consider if the lender in the Partnership plans to provide financing to one of the partner entities are what the lender's conflict of interest policies are, how this would work under Fair Lending practices, and making sure it follows all other Federal compliance requirements.

Application Requirements and Guidelines

- **If the partnership is new for this application, do the partnership entities answer application questions related to the existing organizations individually before being partners?**

The application is being submitted on behalf of the partnership. If the partnership does not have its own track record, then applicants can draw from the experience and track record of the individual entities in the partnership to demonstrate what the partnership can accomplish with grant funding.

- **Can the Qualified Lender be a partner only for the credit enhancement portion of the proposal and not the entire proposal?**

Yes. The roles that each entity in the Partnership plays are up to you. The grant does require that Credit Enhancement activities involve a Qualified Lender.

- **What are the requirements for SAM registration?**

Applicants are required to register with the System for Award Management (SAM) at sam.gov and to keep the sam.gov registration open until the application process is complete. If an applicant is selected to receive a grant award, SAM registration must be active throughout the life of the award.

You can register with SAM at https://sam.gov/SAM/. SAM is an official website of the U.S. government. There is no cost to use SAM. For more information and assistance with using SAM, please review the HELP page at: https://sam.gov/content/help and/or contact SAM directly.

Applicants will be required to submit their SAM registration and their Unique Entity Identifier (UEI) number with their application. Only the Lead Applicant needs to have a SAM registration.

- **Is this program in Grants.gov?**

No, you cannot apply for this program using grants.gov. Applications to this program will go through Reinvestment Fund's online grants portal, SmartSimple.

- **What is an Underserved Area?**

This term is defined in the Request for Applications (RFA):

The term "Underserved Areas" will have the same meaning as "underserved communities," which based on Section 6015 of the 2008 Farm Bill means a community (including an urban or rural community and an Indian tribal community) that has (I) limited access to affordable, Healthy Foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets; and (II) a high rate of hunger or food insecurity or a high poverty rate. For the purpose of satisfying the project requirements for the Initiative an underserved area must either:

1) Be a Census tract determined to be a Low-Income and Low-Supermarket-Access Census Tract by the United States Department of Agriculture in its Food Access Research Atlas;

2) Be a Census tract adjacent to a Census tract determined to be a Low-Income and Low-Supermarket-Access Census Tracts by the United States Department of Agriculture in its Food Access Research Atlas; which has a median family income less than or equal to 120 percent of the applicable Area Median Family Income; or

3) Be a Geographic Unit as defined in 12CFR Part 1805.201(b)(3)(ii)(B), which meets the criteria as having low access to supermarkets or grocery stores through a methodology that has been adopted for use by another government or philanthropic healthy food initiative or demonstrates other criteria describing low access to supermarkets or grocery stores for an underserved community.

- **Can a partnership apply for both capacity building and credit enhancement funds within a single application? In separate applications?**

Yes, a partnership may apply for both Capacity Building and Credit Enhancement Activates. It is all one application. The maximum amount that a Partnership may apply for is $3,000,000.

- **Who should be the lead applicant?**

It's up to the Partnership to determine which entity is best to be the Lead Applicant. Some things to consider: who is best able to manage Federal money and compliance? Who will be able to work with Reinvestment Fund and all the other partners to accomplish the program and impact proposed in the HFFI Partnerships Program application? Who has the capacity to manage the funding and potential subgrants?

- **Can partners change during the grant period, including adding new partners?**

Yes, some of the partner entities may change during the grant period. If they do, then the Lead Applicant will work with Reinvestment Fund on an amendment to their grant agreement. The Partnership must continue to include at least two entities, one of which is a public entity, for the duration of the grant period.

- **What types of information need to be provided by the lead applicant vs. partners in the application?**

The "Applicant Requirements" on page 18-19 of the Request for Applications (RFA) only apply to the Lead Applicant. All partner entities are required to submit the information under "Partnership Entities" on page 20, as well as a signed letter of commitment. In addition, the Lead Applicant and the Qualified Lender(s) will need to submit the financials listed on page 27 and the lenders will need to submit an Authorization to Lend (either with the application or after being awarded).

- **We are applying for Capacity Building only activities and plan to evaluate the pipeline of eligible projects for potential future lending or grant opportunities as part of our program. How do we answer the project pipeline question?**

The pipeline in the application is meant to be illustrative in nature – to provide the application reviewers with insight into your food financing program. We do expect that the pipeline will be more complete/robust for Partnerships applying for credit enhancement activities and have fewer projects for Partnerships applying only for capacity building. The pipeline table in the application allows you to select the status of the engagement. So even if you are having early conversations with stakeholders or providing technical assistance, you can still list those projects. If you have not identified any projects that you are working with (providing TA, grants, or loans to), then you may leave the table blank.

- **If my organization is in the process of applying for or renewing our SAM registration but it has not been approved yet by the November 3rd application deadline, what do I do?**

In the SmartSimple grant application, the Lead Applicant should enter the current registration, with current expiration date, and then upload both the current SAM registration (even if it has or will shortly expire) and the renewal documents. If you have applied for a SAM account and not received approval yet, please upload proof of your registration application. SAM will be a requirement for awarded grantees throughout the grant period.

- **Is the Program Budget on page 26 of the RFA required?**

No, the Program Budget mentioned on page 26 of the RFA is optional. You will submit a grant budget in SmartSimple, which is not broken out by year (it will be a summary of the entire grant budget). If you have other activities for your program outside of the HFFI Partnerships Grant that you want to reference, including those activities, funding sources, leverage, or other context about your program, you're welcome to submit a Program Budget to potentially strengthen your application.

- **If I'm applying for Credit Enhancement and Capacity Building activities, am I still limited to three years for Capacity Building activities?**

If you are applying for Credit Enhancement activities, you can match the Capacity Building pieces, up to 5 years. The three-year cap for Capacity Building is for those only applying for Capacity Building.

- **Is there a definition for "key personnel?" Would this be the main staff supporting project from each organization or leadership of the organization?**

There is no definition for key personnel, and you can use your discretion. Anyone who would be paid by the grant, whose expertise is important for the application and Food Financing Program, or who is in a sufficient leadership position that they might be relevant to the governance of the initiative and the diversity of the partners would be appropriate to be listed.

- **Is there a template for the Authorization to Lend?**

We do not currently have a template or form of the Authorization to Lend. It needs to be a legal opinion verifying that the lender(s) are able to lend in the state(s) being served. If the lenders in your partnership do not already have one, this can be submitted after being awarded a grant (and grant funds may be used to cover the legal fees). We anticipate working with grantees to support the development of and provide guidance about this.

- **In the budget breakdown, would we need to list a subawardee's budget breakdown as well in the proper categories or should the lead just note the total amount of the subaward in the subaward budget category?**

All subawards should be listed in the Subaward budget line. You do not need to list subawards by other budget line items for the main budget. If you would like to add this level of detail, you may include a Program Budget as a separate upload (see page 26 of the RFA for details).

- **On the budget template, in the "Requested Amount" column, should that have the total ask for the entire proposed grant term or would you prefer we create an additional column for each year?**

Yes, that should have the total ask for the entire grant period. If you would like to provide a yearly breakdown, you can do that in the Program Budget upload. The Program Budget is not required but may help strengthen your application by providing more detail.

- **Program income? How does that apply here?**

Program income would apply to any income earned as a result of the HFFI Partnerships Program grant funds. An example would be any fees or interest charged on loans made utilizing credit enhancement funds. Those fees or interest earned on the Federal portion of that loan would count as program income. Like all program income, any expenses incurred to earn that income can be subtracted from the revenue generated to arrive at the final program income amount. Program Income may be a bit tricky to calculate for this program since HFFI funds cannot be used as direct loan capital. Do your best to calculate it for the application and Reinvestment Fund will review it before a grant agreement is signed.

- **What if the lead applicant or the Qualified Lender do not have or are not able to share current fiscal year to date financials?**

Please upload a letter briefly describing why the organization is unable to share year to date financials. You can follow the same instructions/guidelines outlined if a lead applicant/lender doesn't have audited financial statements (see page 27 of the RFA).

Application Strengths and Scoring

- **How should an applicant demonstrate that an area is underserved by HFFI resources?**

Applicants should demonstrate that they are in an area that is underserved by HFFI resources by describing narratively the extent to which their service area is underserved. This could include a discussion of the lack of HFFI loans or grants in their service area or explaining how HFFI resources have not reached their service area to date.

- **If we aren't currently providing loans or grants, how do we demonstrate this ability isn't just aspirational?**

Applications will be reviewed on the Partnership's ability to create the impact proposed and scored based on the strength of the overall application. If the proposed activities are new to the partnership, then the reviewers will evaluate the experience and track record of the entities in the partnership that is provided in the application. Stronger applications will demonstrate some past support for food retail or food enterprise businesses or similar businesses, whether that was providing technical assistance, grants, loans, or other types of support. A track record and experience with supporting food retail and food enterprise businesses, or related experience in other sectors, is most important for Partnerships requesting Credit Enhancement.

- **Would our proposal be more competitive if we partnered with a traditional financial institution like a bank? If not, could a city government agency serve the same role, in other words as a lender or grantor to local food enterprises?**

The most competitive applications will be the ones that can clearly show how the Partnership (and the entities in the partnership) will achieve the objectives and impact proposed in the application. As long as the lender meets the criteria outlined in the RFA, there isn't a preference for any particular type of lender (bank vs CDFI, etc.). Reviewers will be looking at the experience and the track record of the lender(s) and how those relate to the proposed impacts and outcomes of the Food Financing Program.

- **Will having multiple lending partners impact the strength of the grant application?**

The HFFI Partnerships Program requires that there be at least two entities in the Partnership and that at least one of them need sot be a public entity. There is no limit on how many partner entities may participate and there are no pre-defined roles for each partner entity. If the goals and impacts of the Partnership are best served by having more than one lender, that is allowable and up to the Partnership to decide. Each lender involved in the Partnership will need to provide organization financials and an authorization to lend as outlined in the RFA. The strongest applications will have partner entities with the experience, track record, and ability to meet the objectives and impacts proposed in the application.

- **If we apply for both capacity building and credit enhancement can we delay the credit enhancement activities until we complete the capacity building?**

There is not a set timeline for when certain activities - Credit Enhancement or Capacity Building - need to happen. If you apply for both, then you have up to 5 years to deploy the funding that is being supported by them. The strongest applications that request credit enhancement will begin deploying funding sooner rather than later. We do anticipate another round of the HFFI Partnerships Program in the future.

- **I can't find any indication in the RFP of what number of loans the funder would find acceptable for this project or how we can best estimate how many loans we would make?**

We do not have a set number of loans that we are expecting from each application. The number of loans that a Partnership deploys will probably depend on their service area, the amount of funding they request, and who the partner entities are. The strongest applications will propose loan deployment in line with market demands, track records, and sized appropriately for the funding being requested. The lender in the partnership is probably best able to estimate the number of loans they expect to make.

- **We are planning to provide financing to one project. Is this allowable?**

There is not a set number of loans/funding that is required by the HFFI Partnerships Program. The strongest applications will be to food financing programs that plan to provide financing to multiple food retail and food enterprise projects over up to 5 years of deployment and have a plan to sustain and/or grow their program beyond the grant period.

- **Does not having Credit Enhancement activities as part of a project hurt application scoring?**

You are not required to include credit enhancement activities. You may apply for only Capacity Building activities. It does not make your application stronger to include credit enhancement activities. Capacity Building-only applications will be scored separately, and we expect to award some Capacity Building only applications, as well as some applications that include Credit Enhancement or are Credit Enhancement only.

- **Will the applications be reviewed and scored by the HFFI team, external reviewers, or a combination?**

The applications will be reviewed for eligibility by the HFFI team. All eligible applications will be reviewed and scored by external reviewers. You can read more about this process on page 29-31 of the RFA.

- **Are there guidelines on how much ($ or %) credit enhancement funds can support each loan?**

There are not specific requirements about how much grant or credit enhancement funds can go toward a given project or loan. Grant recipients who do lending activity will be expected to have loan processes and policies, which might include guidelines on how much a project's value is supported by debt. The strongest applications will be to food financing programs that are providing financing to multiple food retail and food enterprise projects over the 5 years of deployment and have a plan to sustain this financing beyond the grant period. The reviewers will be looking for food financing programs that will have a measurable impact and increase food access in the communities being served.

Funding Availability

- **Will Partnership grants be available in the future or is this one-time funding? If so, when?**

Reinvestment Fund expects to have another round of the HFFI Partnerships Program grant. This is anticipated about two years after this initial round of funding.

- **If I apply for capacity building, am I guaranteed credit enhancement in the future?**

While there is expected to be a future round of HFFI Partnerships Program grant funding, it is not a guarantee that those who received funding in this round for Capacity Building will receive funding for Credit Enhancement in the next round. It is likely that a Partnership that receives funding for Capacity Building in the 2023 round would be eligible to apply for future funding. All funding rounds will be competitive and funding cannot be guaranteed.

- **What is the timeframe for grant decisions and the grant start date?**

We will make award decisions no earlier than February 2024. We will then work with each grantee to finalize their scope of work, budget, and timeline, which will determine when their grant period starts. We anticipate most of the grants would start 2nd or 3rd quarter of 2024.

Program Guidelines

- **How long is the grant period? How long do we have to deploy funds?**

For applications proposing only Capacity Building activities, the grant period is up to three years. For applications proposing Credit Enhancement activities or both activities, loans utilizing credit enhancement funds must be deployed within five years but the grant period will be longer and will depend on the loan servicing/repayment timeline.

- **If expanding to new communities, does it have to be adjacent or a community in which the partnership or a partner entity has some connection?**

The communities or areas served do not have to be contiguous/adjacent to each other. The Partnership will determine the areas served and describe them in the application. One of the scoring criteria for the application is stakeholder involvement. Applications will score higher if the Partnership can demonstrate that relevant stakeholders were involved in the process of designing the Food Financing Program, and if there is a market demand in a new community for Food Financing Program services/financing.

- **Are Co-ops eligible to receive funding by a Partnership utilizing HFFI Partnerships Program funds?**

Food Co-ops, as long as they meet the eligibility criteria on page 15 of the RFA, may be funded through the HFFI Partnerships Program.

- **If a Food retail project received a previous HFFI Targeted Small Grants award, can it be funded by an HFFI Food Financing Program Partnership?**

Yes, the FFP may fund projects previously funded by the HFFI TSG program.

- **Can we use HFFI Partnership Funds to establish a commercial kitchen for our local farmers and food processors?**

The HFFI Partnerships Program funds cannot be used directly to build a commercial kitchen, though funds could be used for credit enhancement for a loan to a commercial kitchen project if it increases access to healthy food for low-income, underserved communities and meets all the eligibility requirements outlined in the Request for Applications.

- **What is a Food Enterprise?**

Food Enterprises are defined as “businesses or organizations along the food supply chain such as food hubs; food producers, distributors, processors, and manufacturers; commercial kitchens and food business incubators; mobile markets; and other direct to consumer markets. Food enterprises do not necessarily involve the direct sale of food to consumers.” This definition describes the types of business that may be considered food enterprises. Whether or not an individual business is eligible to receive HFFI program funding depends also on the project being funded. The RFA describes the activities carried out by businesses that are not eligible for HFFI funds. For example, a farm may be eligible for

HFFI if the HFFI funds are going toward increasing food access through food retail, such as building a farm stand that will provide staple and perishable food to an underserved area and accepts SNAP.

HFFI funds cannot be used for agricultural purposes, though, so things like buying seeds, farming equipment, etc are not eligible HFFI projects. All projects funded with HFFI money, including through Partnerships, either food retail or food enterprise, must meet the eligibility criteria on page 15 of the RFA.

- **Do farmers fall under the definition of food enterprises for this funding opportunity?**

Whether or not a farmer qualifies as an eligible project served by an HFFI Partnership Food Financing Program (FFP) depends on the project being financed. All projects being financed must increase food access for low-income, underserved communities. If the business is selling direct to consumer, they must provide both staple and perishable foods and accept SNAP. And they must be located in an Underserved Area (check the map here: https://www.investinginfood.com/eligibility). If they are along the food retail supply chain and selling their products to eligible food retail outlets, then the farmer does not need to accept SNAP, provide both staple and perishable foods, or be located in an Underserved Area (as long as the retailer they sell to meets all those criteria). Farmers selling exclusively to non-retail (restaurants, schools, etc.) are not eligible projects to be funded by a FFP under this program. In addition, HFFI funds cannot be used for agriculture (seeds, growing food, farm equipment, etc.).

- **For Food Enterprises, is funding eligibility based on the primary location of business operations?**

For non-retail, or food enterprises serving the food retail supply chain but not selling direct to consumer, eligibility is based on whether or not the project will increase access to healthy food for low-income, underserved communities. There are a number of factors to consider in this assessment. One of which is where the investment/project is located. Another is where the beneficiaries/eventual consumers are located. It is possible that a food hub or food distributor may not be located in an eligible area but may be serving food retailers that are increasing access to healthy food for low-income, underserved communities (located in eligible areas) and that the project would qualify for HFFI.

- **If our application includes both Credit Enhancement and Capacity building activities, is there still a 3-year cap on Capacity Building activities or can they last for the 5-year deployment period?**

The 3-year grant period is if you are only applying for Capacity Building activities. If you are applying for both, you may utilize both activities over the 5-year deployment period.

- **What are the reporting requirements?**

Grantees will be required to submit performance progress and metrics and financial reports periodically during the grant period and, as applicable, after grant closeout. The reporting requirements will be included in the award terms and conditions within the Grant Agreement. If awarded grant funds for Credit Enhancement activities, reports will also include grant and loan deployment details. If there are any program or award-specific terms, those will be identified in the Grant Agreement.

Grantee reporting requirements may include, but are not limited to:

- Requests for reimbursement or advance of grant funds along with appropriate backup documentation at regular intervals throughout the grant period.
- Semi-Annual reporting of grant project progress, assets acquired with HFFI grant or loan funds by subgrantees or borrowers, deployment of Credit Enhancement activities and funds, use of grant funds throughout the grant period, and other project updates.
- Final progress report and financial closeout report at the end of the grant period.
- Ongoing monitoring of compliance with Federal Award Requirements, including environmental review and Build America, Buy America Act requirements.
- Ongoing reporting after the grant period closeout.

Budget/Use of Funds

- **Can we subgrant to partners?**

Yes. The Lead Applicant may subgrant part of the award to other partner entities to carry out a portion of the work towards the purpose of the HFFI Partnerships Program grant.

- **Can grant funds be used for the partnership to lease space or equipment?**

Costs directly associated with running the Food Financing Program as proposed in the application are allowable uses of grant funds. This could include equipment or leasing space that is a direct cost of the program. There is also an allowance for indirect costs — that would cover a portion of rent and other administrative costs that are not direct costs of the program (see the RFA for information on indirect costs).

- **Can grant funds be used for the partnership for loan capital or to create or continue a revolving loan fund?**

No, grant funds cannot be used by the qualified lender(s) in the partnership as direct loan capital. However, grant funds can be used to leverage other sources of funding to create or continue a loan fund and make loans, such as for interest rate buy-downs, loan guarantees, loan loss reserves, or other creative ways to unlock affordable loans for food retailers and food enterprises.

- **If we want to offer grants to food retail businesses, where do they fit in the application?**

Grants would be considered credit enhancement activities and are meant to be used in addition to loans or other financing of projects (the capital for lending activities will come from other sources since HFFI Partnerships Program funding cannot be used as loan capital). Not every individual project needs to have a grant and loan combination, but overall the Food Financing Program must provide loans and grants to eligible projects.

- **If the Partnership wants to offer technical assistance, where does that fit in the application?**

Technical assistance provided directly by the Partnership (whether by the lead applicant, a subawardee, or a contractor) would be a Capacity Building activity. If the Partnership is providing grants to eligible projects to hire their own TA providers, that would be a grant under Credit Enhancement.

- **If admin funds are needed to support the partnership, should we apply for that under capacity building activities?**

Any admin type funds (such as personnel, contractual, other operating or administrative costs etc.) would fall under Capacity Building activities. Direct costs would be categorized by type based on the line items in the budget. Grantees may also charge indirect expenses, as described in the guidelines in the RFA.

- **Can funds be used for multiple types of credit enhancement, i.e., a loan loss reserve and interest rate reduction?**

Yes, multiple types of credit enhancement can be specified in the budget and application. There is no pre-determined amount or ratio that needs to be met. The strongest applications will match the credit enhancements proposed to the needs they are seeing in the market/among the businesses who will receive funding.

- **Can this funding be use for our Double Dollars SNAP program?**

SNAP double up or double dollar programs are not eligible for HFFI funding. America's HFFI is under USDA, which has other funding programs for SNAP incentive programs. If your food financing fund were providing loans to farmers markets to purchase SNAP-eligible EBT machines, that could potentially be eligible. The farmers markets would need to be located in eligible underserved areas, they would need to provide staple and perishable foods (so not just produce but also eggs, dairy, meat, grains, etc.), and they would need to accept SNAP soon after receiving the loan. The HFFI Partnerships Program is designed to support food financing programs/funds, so while grants may be administered with the funds, they need to be in support of lending, not stand-alone grants.

- **With this grant, would we be able to provide grants to local businesses (corner stores) in our community?**

The Partnership running the Food Financing Program may provide grants along with loans to eligible projects. Corner stores may be eligible if they provide staple and perishable healthy foods, accept SNAP, and are located in eligible Underserved Areas. Grants are considered credit enhancement for the purpose of this program and should be used to make projects more viable for financing. Partnerships are expected to offer loans, not just grants, through this program. Technical assistance may also be offered as a Capacity Building activity.

- **Can the Partnership (or one of the partner entities) directly "grant" project participants with equipment, or would we have to grant them the funds to purchase the equipment?**

The goal of the HFFI Partnerships Program is to support Food Financing Programs that then provide technical assistance, grants, and loans to eligible food retail and food enterprise projects. Direct grants to food retail or food enterprise projects are allowable. They would be considered a credit enhancement activity alongside loans and other financing at a portfolio level. The Partnership purchasing equipment and gifting them would not be an allowable use of funds under this program.

- **How do I calculate Indirect Costs in our budget?**

If you do not have a Federally-approved negotiated indirect cost rate (NICRA), you may elect to use the de minimis rate, which is 10 percent of modified total direct costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, rental costs, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $25,000.

However, you must comply with any approved negotiated indirect cost rate that you have received from the Federal government, so if you have a NICRA, you should use that rate to calculate your indirect costs.

Regardless of which way you calculate indirect costs, you may not charge more than 10 percent of your total award amount as indirect costs.

- **How do we fill out the Budget and the Credit Enhancement Budget? Do they overlap or are they separate?**

The total budget being requested for the HFFI Partnerships Program, including both capacity building and credit enhancement activities, should be included in the main Budget Table. Operational costs, such as personnel, contractual, and supplies, are typically expected to count as Capacity Building activities. Any Credit Enhancement activities should also be included in the Credit Enhancement Use of Funds table. If you are unsure what budget line your Credit Enhancement activities fit in for the main Budget Table, you can put them in "Other." Reminder that Capacity Building activities can be up to $1 million, and your total grant budget can be up to $3 million.

- **Do indirect costs include the credit enhancement budget lines?**

It depends on the types of Credit Enhancement being requested. If you have a NICRA, then you need to follow it in terms of what budget categories are included in your base for which your rate can be applied. If you are using the de minimis rate, then review the eligible categories for Modified Total Direct Costs (listed above and on page 25 of the RFA) and apply your indirect rate to those expenses.

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REINVESTMENT FUND

Miscellaneous

- **Is the CDFI Fund a funder of the HFFI Partnerships program? And does a grant through the HFFI Partnerships program count as part of a grantee organization's CDFI Fund allocation?**

This HFFI funding is through USDA. It is separate from the HFFI program funded through the CDFI Fund and does not count towards the CDFI Fund allocation.

- **I'm trying to find a lender to be part of my partnership. Can you connect me?**

While we cannot directly make connections to lenders in your area, we encourage you to reach out to local Community Development Financial Institutions (CDFIs), banks, and credit unions. Here are a few places to start that may be helpful:

Information about CDFIs and which ones have received CDFI Fund HFFI awards: https://www.cdfifund.gov/faq

Opportunity finance Network's CDFI Locator: https://www.ofn.org/cdfi-locator

The list of Certified CDFIs from the CDFI Fund: CDFI_Cert_List_09_14_2023_Final.xlsx (live.com)

National Credit Union Administration Credit Union locator: https://mapping.ncua.gov

- **Do HFFI Partnership funding awards count toward the Federal Government's audit threshold? The Single Audit Act requires non-federal entities that receive $750,000 or more in federal funds in a fiscal year to have an annual audit.**

Yes, this is Federal money and grantees of the HFFI Partnerships Program will be subrecipients of a federal award. If they provide a portion of the award to a partner as a subrecipient, that award is also a federal award and would count toward the audit threshold. All applicable federal regulations and compliance also apply.