California FreshWorks’ Social and Economic Impacts
2018 - 2020

An evaluation of FreshWorks’ efforts to advance healthy food access, economic development, and social and racial equity in support of a just and sustainable food system in California

September 2021
California FreshWorks’ Social and Economic Impacts 2018 - 2020

About the Author

Pacific Community Ventures (PCV), a nonprofit social enterprise and community development financial institution (CDFI) based in Oakland, California, envisions a world of thriving communities where everyone has a fair shake. Our mission is to invest in small businesses, create good jobs for working people, and make markets work for social good. We achieve our mission through a “Good Jobs, Good Business” model that combines affordable loans with pro-bono advising; our BusinessAdvising.org platform, impact measurement, evaluation, and research; and tools and small grants to create good-quality jobs that address racial and gender wealth gaps.

About this Report and Evaluation

This report examines the development and implementation of California FreshWorks from 2018 through 2020 as well as the resulting social and economic impacts of FreshWorks’ support of food entrepreneurs and projects working to increase access to affordable, healthy food in low-income and underserved communities in California.

Acknowledgments

This evaluation has been a collaborative effort and would not have been possible without the support of Community Vision and the many FreshWorks partners working to increase healthy food access and advance an equitable food system within California. We are also grateful for the support of The California Endowment, whose financial support and commitment to evaluation and learning made this work possible.

We would also like to especially thank Esperanza Pallana and Catherine Howard for their leadership and continued support over the course of the evaluation.

Finally, we would like to thank the entrepreneurs, operators, and employees who generously shared their time and experiences with us during the course of the evaluation by completing our social and economic impact surveys and participating in interviews.

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- Tom Woelfel
- Sanjana Seth
- Jacqulyn Washington

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Over the last three years of the California FreshWorks (FreshWorks) program, we learned insightful lessons about how to create flexible financial products and connect organizations with local services to cultivate catalytic impact for businesses and nonprofits often labeled as “high-risk” for investment. The lessons that are detailed in this report reflect a significant program redesign which took place in 2016 and enabled greater flexibility, responsiveness and investment into critical community innovations to ensure healthy food access.

As administrators of FreshWorks, we took a community-centered approach to healthy food financing by listening to the ideas and solutions of local leaders who are working for an equitable and sustainable food system that nourishes all communities. Grounded in a perspective that centers Black communities, Indigenous communities, and communities of color as experts, the strategies of FreshWorks can be applied more broadly toward community development. This approach prioritizes relationship building and facilitating pathways for communities to realize the vision they have for themselves.

We offer the following top-line considerations for creating a model of community-centered financing:

**Be a humble co-creator with community**

A community-centered approach requires the financial and community development industry establish a new convention of centering the voices, experiences, and solutions of the people disproportionately affected by systemic inequities in their community. When we can be humble and listen to and honor perspectives that are not our own, then we can gain a deeper understanding of root causes and how to support local people in the solutions they are leading.

**Flexibility and creativity require risks**

A community-centered approach can feel risky for financial institutions and professionals in community development largely because it is a shift in power. This requires building relationships with communities to understand their unique goals and how to develop programs and services that are flexible enough to meet the needs of a wide range of people. Creative solutions can flourish when we partner with communities in an authentic and respectful way. It is also important to remember that we are not beholden to the structures and systems we’ve created if they are not supporting community health and well-being.

We hope that this report inspires institutions in the community development field to center and resource local community leaders through an approach that cultivates capacity, builds power, and ensures health, economic justice and community resilience.

In cooperation,

**Catherine Howard**  
President  
Community Vision

**Esperanza Pallana**  
Director of Strategic Initiatives  
Community Vision
Executive Summary

*California FreshWorks (FreshWorks) is a healthy food financing initiative providing financing and support to food entrepreneurs who are working to increase access to affordable, healthy food in low-income and underserved communities in California.*

The second phase of FreshWorks was launched in 2017 in partnership with Community Vision as the program administrator, and with funding from the California Community Foundation, CommonSpirit, the Weingart Foundation, and The California Endowment. This second iteration of FreshWorks expanded on FreshWorks’ original mission by seeking to support healthy food businesses across the food value chain, providing technical assistance grants and offering market making support to communities with local food projects, utilizing a network of community lenders to offer loans to food businesses, and providing credit enhancement in the form of loan participations and loan guarantees to lower the cost of capital and reach more food businesses.

Since 2017, FreshWorks deployed over $79.6 million to healthy food businesses across California. This includes $75.0 million in lending capital, including New Markets Tax Credits loans and forgivable loans. Loans made by the lenders network have been supported by $3.6 million in credit enhancements. In addition, FreshWorks provided nearly $1 million in grants to healthy food businesses to support technical assistance and COVID-19 relief.

**FRESHWORKS SOCIAL AND ECONOMIC IMPACT**

FreshWorks has made progress on each of its programmatic objectives, listed in the table below.

<table>
<thead>
<tr>
<th>FreshWorks Objectives</th>
<th>Key Findings</th>
</tr>
</thead>
</table>
| **Healthy Food Access**       | • 44 percent of FreshWorks transactions and 49 percent of FreshWorks capital has been provided in low-income, low-access communities.  
|                               | • All businesses receiving support from FreshWorks that are not located in low-income, low-access communities focus on serving customers in these communities. |
| **Economic Development**       | • 65 percent of FreshWorks capital has been invested in economically distressed communities. |
| **Racial and Social Equity**   | • 87 percent of FreshWorks grant capital has been directed towards BIPOC-led food businesses and 77 percent of FreshWorks loan capital has been deployed to BIPOC-led food businesses.  
|                               | • 53 percent of business owners that received FreshWorks grants reported that they identify as female or differently identified and 19 percent of business owners that received FreshWorks loans reported that they identify as female, or differently identified. |
| **Environmental Stewardship** | • 82 percent of food businesses stated they engage in at least one environmental sustainability activity. |
| **Local Sourcing**            | • 81 percent of food businesses stated that they actively promote California-sourced food at their business. |
FRESHWORKS KEY OFFERINGS AND COMPONENTS

FreshWorks’ model is comprised of technical assistance grants, loans, credit enhancements, and a focus on Market Making.

- **Technical Assistance Grants:** FreshWorks makes grants to pay for pre-development/pre-transaction technical assistance and post-opening/post-loan capacity building support. FreshWorks also introduced COVID-19 relief grants to support businesses during the pandemic.

- **Loans:** Through a network of lenders, FreshWorks’ strives to fill gaps in the financing landscape in food by offering flexible products and terms to borrowers that would otherwise find it difficult to obtain financing from traditional sources.

- **Credit Enhancement:** FreshWorks offers credit enhancement for the lenders network to unlock additional private capital and allow for more flexible loan terms for borrowers – enabling transactions that might not occur otherwise. FreshWorks funds loan participations using Program-Related Investments and loan guarantees to serve as top-loss protection and further incentivize transactions.

- **Market Making:** FreshWorks employs a Market Making strategy to cultivate opportunities, build relationships in underserved communities, and support longer-term food projects in moving from concept to reality. FreshWorks employs trusted community development professionals as Market Makers who can act as relationship managers and resource navigators within its target geographies - thereby extending FreshWorks presence. Market Makers provide catalytic, long-term support for equitable food initiatives within communities.

KEY REFLECTIONS AND LEARNINGS

As FreshWorks works with its partners to advance its objectives and support food businesses across California in building a more equitable food system, a series of reflections and learnings have emerged that relate to its overall approach and revised structure under program administrator Community Vision. These key reflections and learnings help shape FreshWorks continued efforts with healthy food businesses and projects and can help inform the work of other healthy food financing initiatives.
### Key Reflections and Learnings from the Last Three Years

#### Lenders Network

The lenders network has helped FreshWorks expand its loan offerings and support more food businesses and projects outside of Community Vision’s geographic footprint, especially in the Greater Los Angeles area. However, lending activity and engagement with the lenders network have been more limited than expected. With more consistent communication and greater technical support to lenders newer to healthy food financing, FreshWorks can deepen its partnership with the lenders network, build the capacity of community lenders in healthy food, and increase the number of loans to food businesses and projects.

#### Credit Enhancements

FreshWorks’ credit enhancements – loan participations and loan guarantees – support loans that may not have occurred otherwise to entrepreneurs and projects, increasing equitable food access and advancing FreshWorks objectives. However, credit enhancements could be more fully utilized to catalyze activity among FreshWorks’ lenders network and scale investment in underserved communities.

#### Market Making

While Market Making requires a patient approach and greater resources, it has been critical in expanding FreshWorks’ pipeline, forging connections across California’s ecosystem of healthy food businesses, and providing longer-term support to food projects in underserved communities.

#### Technical Assistance Grants

FreshWorks is providing catalytic grant support to food businesses that need it the most across California; FreshWorks expanded this approach during COVID-19 and provided COVID-19 recovery grants in 2020. There is opportunity for FreshWorks to further engage the lenders network through grant referrals and cultivate its pipeline of community-centered food businesses.

#### Community-Centered, Mission Driven Design and Approach

Community Vision consistently prioritizes mission and placed the needs of businesses and communities at the center of its healthy food financing efforts. In addition, FreshWorks also supports businesses that are committed to meeting their local communities’ needs. Therefore, FreshWorks has cemented a community-centered approach across its programmatic design. However, a community-centered approach is time and resource intensive and requires patience and a longer time horizon to achieve results.

#### Supporting Ecosystem Building

FreshWorks supports California’s healthy food ecosystem beyond its capital and technical assistance by helping food entrepreneurs navigate the ecosystem and access key resources as well as by supporting CDFIs newer to healthy food financing. Through more regular communication and by facilitating connections across the lenders network, Market Makers, and technical assistance providers FreshWorks can enhance its healthy food ecosystem efforts and further contribute to a more equitable food system.

Over the last several years FreshWorks successfully directed loans, grants, technical assistance, and support to community-based food businesses and projects to advance its mission and objectives, especially among BIPOC entrepreneurs and communities. FreshWorks can realize even greater results through increased connection, communication, and collaboration across the lenders network and with its technical assistance and market making partners. FreshWorks remains committed to providing capital, resources, and support to create a more sustainable, equitable food system for all Californians.
Introduction

More than one million Californians, many in low-income communities, live without access to grocery stores, or other sources of fresh and healthy food. California produces over half of the country’s fruits and vegetables, yet California faces a food insecurity rate of 23.7 percent. The food insecurity rates for Black, Indigenous, and People of Color (BIPOC) are even higher.

These communities are not only impacted by negative health outcomes as a direct result of a lack of access to fresh, affordable healthy food options, but have also seen decades of disinvestment and high rates of unemployment. This lack of investment indicates that limited food access is not simply a health issue, but also a community development and equity issue. This has been made even more evident during the COVID-19 pandemic, in which BIPOC communities have been disproportionately affected by the negative health and economic impacts of the virus.

California FreshWorks was created to address these challenges, utilizing food as a pathway towards equity. California FreshWorks uses a combination of debt financing, grant capital, and technical assistance to support increased access to healthy foods in low-income communities and BIPOC communities. The program supports local solutions across the food value chain that respond to the needs of individual communities, promoting economic development, and increased opportunities. FreshWorks’ program goals reflect this broader commitment to not only supporting healthy food access but using investments in food as a mechanism to address systemic racism, support economic opportunity, and foster more sustainable and resilient local communities.

FreshWorks Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Food Access</td>
<td>Increase access to healthy food for residents of low-income, low-access communities</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Spur job creation and inclusive economic development</td>
</tr>
<tr>
<td>Racial and Social Equity</td>
<td>Ensure equitable access to food, ownership, and jobs</td>
</tr>
<tr>
<td>Environmental Stewardship</td>
<td>Encourage sustainable environmental practices</td>
</tr>
<tr>
<td>Local Sourcing</td>
<td>Build a sustainable California food system that increases availability of locally grown or produced foods</td>
</tr>
</tbody>
</table>

Figure 1: California FreshWorks’ Objectives

FreshWorks strives to accomplish these objectives through loans, grants, and technical assistance to food businesses and projects in its priority geographies including the East Bay (Alameda and Contra Costa Counties), San Joaquin Valley (Fresno, Kings, Merced, Madera, San Joaquin, Stanislaus and Tulare Counties), Sacramento (Sacramento and Yolo Counties), and Greater Los Angeles areas (Los Angeles County and communities in northwest Orange County, bounded by Highways 23 and 57). FreshWorks also intentionally focuses on businesses across the food value chain - not just grocery retail – supporting growing, producing, aggregating, processing, distribution, and food service.
Evaluating FreshWorks

*The Research and Consulting team at Pacific Community Ventures (PCV) prepared this report and conducted a developmental evaluation of FreshWorks since 2018. Throughout the developmental evaluation, PCV worked closely with Community Vision and FreshWorks’ partners as the program sought to iterate on its strategies and support the needs of food entrepreneurs and projects.*

Consistent with the developmental nature of the evaluation, this report examines the program’s progress in alignment with its five objectives and highlights key learnings with the goal of strengthening FreshWorks’ work and informing other healthy food financing efforts nationally.

The report draws from three years of evaluation and reflects FreshWorks’ activity through September of 2020. Evaluation findings are synthesized based on 27 partner and key informant interviews and 41 business owner and employee interviews. Findings also draw from quantitative data analyses and geographic information system (GIS) mapping derived from FreshWorks Inquiry Tracker and FreshWorks’ Social and Economic Impact Survey (referred to as “survey” throughout the report). 

4, 5
California FreshWorks 2.0

California FreshWorks was initially launched in 2011 by The California Endowment and a coalition of public and private capital providers, industry experts, and thought partners in the healthy food space.

With $273 million in capital commitments, the healthy food financing initiative was intended to bring grocery stores and other healthy food retail businesses to underserved communities across California to address inequitable access to affordable and healthy food in support of improved community health outcomes. While the program was able to deploy $62 million through 71 loans and grants to grocery stores and other food businesses, it experienced a range of challenges that prevented it from meeting its original vision. These included a more competitive lending environment than originally anticipated, inflexible loan terms from FreshWorks’ structured loan fund, and limited capacity to invest in longer term efforts to bring healthy food to communities. This led The California Endowment to reconsider FreshWorks’ approach and explore a subsequent phase of implementation.

In 2017, in partnership with Community Vision as program administrator, and with additional funding from the California Community Foundation, CommonSpirit, and the Weingart Foundation, The California Endowment officially launched FreshWorks 2.0 (referred to as FreshWorks throughout this report). This next phase of FreshWorks followed a step back from program operations, a review of evaluation findings and lessons learned, an assessment of program strengths and weaknesses, a comprehensive market study, and exploration of innovative approaches to program and capital structure.

Inspired by other innovative healthy food financing initiatives like Michigan Good Food Fund, Community Vision sought to rethink the typical structure and approach of a healthy food financing initiative where a program administrator would be responsible for providing loans, grants, and technical assistance. Instead, Community Vision sought to assemble a network of Community Development Financial Institutions (CDFIs) and use FreshWorks as a platform to accelerate greater investment in California’s food system. The CDFIs agreed to make loans to local food businesses and projects meeting FreshWorks’ mission criteria while utilizing capital from their own balance sheets rather than from FreshWorks. In addition, CDFI lenders could access credit enhancement, a new and attractive tool for healthy food financing, by formally joining FreshWorks’ network of lenders. The availability of credit enhancement for transactions meeting FreshWorks’ mission criteria would enable lenders to offer more flexible, well-priced loans to prospective food businesses that would otherwise be considered too risky. Lenders would also be able to refer entrepreneurs to FreshWorks’ technical assistance grants.

With the shift to a lenders network, and by introducing credit enhancement, FreshWorks has undergone significant updates and changes to its overall program design and structure. The key components of FreshWorks’ current program design are further outlined in the table on the next page.
<table>
<thead>
<tr>
<th>Key Components of FreshWorks</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lenders Network</strong></td>
<td>FreshWorks utilizes a network of community-based, for-profit and non-profit CDFI lenders that work across FreshWorks' target geographies in California to provide flexible and affordable capital tailored to clients’ needs. FreshWorks lenders network provides financing from $50,000 to $3 million, with financing above $3 million available in certain cases. Loan uses include: Real Estate Acquisition, Construction &amp; Tenant Improvements, Facility Expansion or Upgrades, Working Capital, Inventory, and Equipment Purchase.</td>
</tr>
<tr>
<td>• Community Vision (FreshWorks administrator)</td>
<td></td>
</tr>
<tr>
<td>• Self-Help Federal Credit Union (Self-Help FCU)</td>
<td></td>
</tr>
<tr>
<td>• Rural Community Assistance Corporation (RCAC)</td>
<td></td>
</tr>
<tr>
<td>• Capital Impact Partners</td>
<td></td>
</tr>
<tr>
<td>• Nonprofit Finance Fund</td>
<td></td>
</tr>
<tr>
<td>• Genesis LA</td>
<td></td>
</tr>
<tr>
<td>• Clearinghouse CDFI</td>
<td></td>
</tr>
<tr>
<td>• Reinvestment Fund</td>
<td></td>
</tr>
<tr>
<td><strong>Credit Enhancement</strong></td>
<td>FreshWorks offers credit enhancement for the lenders network to unlock additional private capital and allow for more flexible loan terms for borrowers – enabling transactions that might not occur otherwise. FreshWorks funds loan participations using Program-Related Investments to lower the cost of capital for food businesses and projects, catalyze transactions that otherwise might not meet lenders’ underwriting guidelines, and serve as top-loss protection for the transaction. FreshWorks also offers loan guarantees, to serve as top-loss protection and further incentivize transactions.</td>
</tr>
<tr>
<td>• Loan participations</td>
<td></td>
</tr>
<tr>
<td>• Loan guarantees</td>
<td></td>
</tr>
<tr>
<td><strong>Technical Assistance Grants</strong></td>
<td>FreshWorks makes grants to pay for pre-development/pre-transaction technical assistance and post-opening/post-loan capacity building support. FreshWorks curates a set of technical assistance providers who, where appropriate, can provide professional services and expertise to food businesses. FreshWorks also introduced COVID-19 relief grants to support businesses during the pandemic.</td>
</tr>
<tr>
<td><strong>Market Making</strong></td>
<td>FreshWorks employs a Market Making strategy to cultivate opportunities, build relationships in underserved communities, and support longer-term food projects in moving from concept to reality. FreshWorks employs trusted community development professionals as Market Makers who can act as relationship managers and resource navigators within its target geographies – thereby extending FreshWorks presence. Market Makers provide catalytic, long-term support for equitable food initiatives addressing a previous challenge, lack of dedicated longer-term assistance to support food projects within communities. Market Makers deliver tailored technical assistance to move businesses along the business life cycle, supporting their efforts to be ready to apply for financing, and broader ecosystem building support in the food justice space.</td>
</tr>
<tr>
<td>• Angel City Advisors</td>
<td></td>
</tr>
<tr>
<td>• Carissa Garcia - Fresno</td>
<td></td>
</tr>
<tr>
<td>• East Oakland Grocery Collaborative</td>
<td></td>
</tr>
<tr>
<td>• Veronica Saldana - Firebaugh</td>
<td></td>
</tr>
<tr>
<td>• Rumley Consulting</td>
<td></td>
</tr>
<tr>
<td>• Fred Briones - Stockton</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2: Outline of FreshWorks’ Key Components
FreshWorks’ Activity

Since 2017 FreshWorks deployed over $79.6 million to healthy food businesses across California. This includes $75.0 million in lending capital, including New Markets Tax Credits loans and forgivable loans.

Loans made by the lenders network have been supported by $3.6 million in credit enhancements. In addition, FreshWorks provided nearly $1 million in grants to healthy food businesses to support technical assistance and COVID-19 relief. As part of supporting longer-term projects, ecosystem-building, and assisting high-impact community-centered food businesses, the program tracked over 100 Market Making opportunities across California.
FreshWorks has seen a steady increase in activity over the past three years, particularly in the number of grants it distributed since the inception of the program. This marks the growing need for both flexible capital and the need for unrestricted financial support in addressing the impacts of the COVID-19 pandemic as the number of grants nearly doubled from 2019 to 2020. FreshWorks also significantly increased the number of loans it deployed in 2020.

Figure 4: FreshWorks’ Transactions by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants</th>
<th>Credit Enhancements</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>7</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>2019</td>
<td>10</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>2020</td>
<td>19</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>
Across the life of the program, FreshWorks supported underserved communities and healthy food businesses across California, primarily in four target geographies, including the East Bay, Sacramento, San Joaquin Valley, and Greater Los Angeles area.7

Figure 5: Map of FreshWorks’ Support
While FreshWorks has primarily served the East Bay and the Greater Los Angeles area, Community Vision intentionally dedicated time and resources to expand FreshWorks reach in the San Joaquin Valley. In fact, 58 percent of FreshWorks transactions were directed towards the San Joaquin Valley in 2020 as compared to 1 percent in 2019 and 13 percent in 2018.

<table>
<thead>
<tr>
<th>Overall Transactions by Region</th>
<th>Businesses Served</th>
<th>Share of Businesses Served</th>
<th>Dollars Invested</th>
<th>Share of Dollars Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Bay</td>
<td>24</td>
<td>39%</td>
<td>$31,532,149</td>
<td>40%</td>
</tr>
<tr>
<td>Greater Los Angeles</td>
<td>16</td>
<td>26%</td>
<td>$23,219,958</td>
<td>29%</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>14</td>
<td>23%</td>
<td>$21,847,069</td>
<td>27%</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>10%</td>
<td>$2,840,000</td>
<td>4%</td>
</tr>
<tr>
<td>Sacramento</td>
<td>2</td>
<td>3%</td>
<td>$15,000</td>
<td>.02%</td>
</tr>
</tbody>
</table>

*Figure 6: FreshWorks’ Transactions by Geography*

Based on dollar amount, grants, loans, and credit enhancement have also primarily been deployed in the East Bay and the Greater Los Angeles area.

<table>
<thead>
<tr>
<th>Region</th>
<th>Businesses Served</th>
<th>Share of Businesses Served</th>
<th>Dollars Invested</th>
<th>Share of Dollars Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRANTS BY REGION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Bay</td>
<td>12</td>
<td>38%</td>
<td>$389,170</td>
<td>46%</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>7</td>
<td>22%</td>
<td>$172,217</td>
<td>21%</td>
</tr>
<tr>
<td>Greater Los Angeles</td>
<td>7</td>
<td>22%</td>
<td>$220,809</td>
<td>26%</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>13%</td>
<td>$40,000</td>
<td>5%</td>
</tr>
<tr>
<td>Sacramento</td>
<td>2</td>
<td>6%</td>
<td>$15,000</td>
<td>2%</td>
</tr>
<tr>
<td><strong>LOANS BY REGION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Bay</td>
<td>8</td>
<td>38%</td>
<td>$29,460,853</td>
<td>39%</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>6</td>
<td>29%</td>
<td>$21,104,852</td>
<td>28%</td>
</tr>
<tr>
<td>Greater Los Angeles</td>
<td>5</td>
<td>24%</td>
<td>$21,699,260</td>
<td>29%</td>
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<tr>
<td>Other</td>
<td>2</td>
<td>10%</td>
<td>$2,800,000</td>
<td>4%</td>
</tr>
<tr>
<td>Sacramento</td>
<td>0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>CREDIT ENHANCEMENTS BY REGION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Bay</td>
<td>4</td>
<td>44%</td>
<td>$1,682,126</td>
<td>47%</td>
</tr>
<tr>
<td>Greater Los Angeles</td>
<td>4</td>
<td>44%</td>
<td>$1,299,889</td>
<td>37%</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>1</td>
<td>11%</td>
<td>$570,000</td>
<td>16%</td>
</tr>
<tr>
<td>Sacramento</td>
<td>0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
<td>$0</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Figure 7: FreshWorks’ Transactions by Type and Geography*
Grants
FreshWorks grants provide technical assistance support to food businesses that may be in the pre-development or post-loan support stage.

Pre-Development/Pre-Transaction Support:
This includes grant support for technical assistance for projects that are not currently financeable. Activities supported in this area will need to show a direct correlation between moving from a specific idea to a sustainable business, or otherwise moving from a concept to commencement of business. Examples of this kind of work include business plan development, design services, demand studies, licensing, permitting, and project management.

Post-Opening/Post-Loan Support:
This includes grant support for technical assistance for operating businesses that helps improve business sustainability or drives substantial outcomes related to FreshWorks’ mission. For example, grant support can fund installation of a point-of-sale system, improvements in operational efficiencies, revisions to store layout/product mix, nutrition education programming, marketing of healthy food options, or implementing a workforce training program for front-line workers.

In addition, FreshWorks deployed several grants in 2020 that were in direct response to the COVID-19 pandemic. Of the total 19 grants made by FreshWorks in 2020, 9 were specifically deployed to address challenges that arose from COVID-19. For example, FreshWorks supported Three Sisters Gardens’ CSA food safety upgrade to support their COVID-19 community response work and expansion of critical food delivery in partnership with Sacramento Food Bank to communities most vulnerable to the health and economic impacts of the pandemic.

Loans and Credit Enhancements
Through a network of lenders, FreshWorks strives to fill gaps in the financing landscape in food by offering flexible products and terms to borrowers that would otherwise find it difficult to obtain financing from traditional sources. FreshWorks lenders also offer New Markets Tax Credit (NMTC) financing for large transactions that need financial incentives to locate in low-income areas.

Loan products offered by the FreshWorks network include:

- Tenant improvement term loan
- Equipment/capital expenses term loan
- Operator purchase/refinance/recapitalization term loan
- Working capital term loan or line of credit
  - New store/program startup costs
  - Vendor A/R management
  - Inventory
- Real estate acquisition term loan
- NMTC for build out, equipment, and/or working capital
Within the FreshWorks lenders network, lending activity has primarily been driven by the efforts of Community Vision. Community Vision has been involved in slightly over half of all loans disbursed through FreshWorks and is responsible for over half of lending capital deployed. More lenders, however, became more active in the program year over year; in 2019 and 2020, FreshWorks saw greater involvement of the lenders’ network.

In 2016, the only grocery store operating in the Hoopa Valley Reservation was forced to close due to health and safety concerns and neglect from the previous grocery operator. Following the store closure, members of the community had to travel 120 miles roundtrip to reach the nearest full-service grocery store. While the Hoopa Tribe arranged weekly shuttle service to Eureka for groceries and expanded canned, frozen, and packaged food offerings at the Hoopa Mini Mart Gas Station, these were not sufficient solutions to the lack of access to food retail for the Reservation’s 3,500 residents.

The Hoopa Tribe initially approached several grocery operators to open a new grocery store at the site of the previous store, but they all declined due to a belief that a store would not be financially viable in the rural mountains of the Reservation. Instead of continuing to try and attract a grocery store operator, the Tribe made the decision to build a new store at the previous site and to take on operations themselves. With community feedback processes in place, and financing from FreshWorks and Arcata Economic Development Corporation, the Tribe designed and developed the Hoopa Shopping Center, as a safe space for their community to gather and purchase healthy and culturally appropriate foods.

<table>
<thead>
<tr>
<th>Lender</th>
<th>Number of Loans</th>
<th>Share of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Vision</td>
<td>12</td>
<td>52%</td>
</tr>
<tr>
<td>Self Help FCU</td>
<td>4</td>
<td>17%</td>
</tr>
<tr>
<td>Genesis LA</td>
<td>2</td>
<td>9%</td>
</tr>
<tr>
<td>Reinvestment Fund</td>
<td>2</td>
<td>9%</td>
</tr>
<tr>
<td>RCAC</td>
<td>1</td>
<td>4%</td>
</tr>
<tr>
<td>NFF</td>
<td>1</td>
<td>4%</td>
</tr>
<tr>
<td>Clearinghouse</td>
<td>1</td>
<td>4%</td>
</tr>
</tbody>
</table>
Figure 9: Transactions by Lender by Year

**FRESHWORKS’ TRANSACTIONS BY LENDER**

*By Number of Loans*

- **NFF**
- **CLEARINGHOUSE**
- **GENESIS LA**
- **REINVESTMENT FUND**
- **SELF HELP FCU**
- **COMMUNITY VISION**

2018:
- NFF: 1
- CLEARINGHOUSE: 1
- GENESIS LA: 1
- REINVESTMENT FUND: 2
- SELF HELP FCU: 2
- COMMUNITY VISION: 2

2019:
- NFF: 1
- CLEARINGHOUSE: 1
- GENESIS LA: 1
- REINVESTMENT FUND: 2
- SELF HELP FCU: 2
- COMMUNITY VISION: 2

2020:
- NFF: 1
- CLEARINGHOUSE: 1
- GENESIS LA: 1
- REINVESTMENT FUND: 2
- SELF HELP FCU: 2
- COMMUNITY VISION: 2

**FRESHWORKS’ TRANSACTIONS BY LENDER**

*By Dollars (in $ Millions)*

2018:
- NFF: $5.72M
- CLEARINGHOUSE: $5.72M
- GENESIS LA: $4.48M
- REINVESTMENT FUND: $1.4M
- SELF HELP FCU: $2.6M
- COMMUNITY VISION: $2.5M

2019:
- NFF: $15M
- CLEARINGHOUSE: $1.7M
- GENESIS LA: $2.6M
- REINVESTMENT FUND: $3.78M
- SELF HELP FCU: $2.6M
- COMMUNITY VISION: $17.33M

2020:
- NFF: $15M
- CLEARINGHOUSE: $1.7M
- GENESIS LA: $2.6M
- REINVESTMENT FUND: $3.78M
- SELF HELP FCU: $2.6M
- COMMUNITY VISION: $17.33M

*Figure 9: Transactions by Lender by Year*
The flexibility of FreshWorks’ approach also enabled later entrants to join the lenders network, such as the Reinvestment Fund, who became involved in 2020. The Reinvestment Fund was introduced to FreshWorks through its collaboration with Market Maker Angel City Advisors on a healthy food financing transaction in the Greater Los Angeles area. All members of the lenders network utilized FreshWorks credit enhancement, aside from RCAC whose lending activity occurred outside of FreshWorks’ priority geographies.

**Market Making**

Market Making has been an important component of FreshWorks and has helped FreshWorks provide steady and longer-term support to businesses and projects within communities. The original intent of FreshWorks’ Market Making component was to cultivate opportunities and build relationships in underserved communities, with the goal of building business capacity and driving projects from concept to fruition. This was often done through market or landscape analyses to determine what food projects or businesses would be feasible in a particular geography. For example, Carissa Garcia, an early Market Maker for FreshWorks, supported Community Vision and the Pan Valley Institute in helping identify and connect immigrant and refugee food entrepreneurs in Clovis, California in need of affordable and more culturally relevant commercial kitchen space with FreshWorks-supported La Jacka Mobile (La Jacka), a vegan Mexican food business who had recently purchased Food Commons Fresno’s commissary kitchen. La Jacka planned to lease its kitchen space to local businesses and launch an inaugural kitchen accelerator for food businesses. Carissa’s knowledge of the landscape of food entrepreneurship in the local community was critical in coordinating with Pan Valley Institute and Community Vision to connect food entrepreneurs to La Jacka’s commercial kitchen.

The Market Making function of FreshWorks continues to evolve and has been successful in playing two roles for the FreshWorks program:

1. Serving as a local resource that delivers client-specific technical assistance to move businesses along the business life cycle, supporting their efforts to be ready to apply for financing and,
2. Contributing to overall ecosystem building in the food justice space.

Through Market Making, FreshWorks is growing its pipeline across its priority geographies. While the majority of transactions occurred in the East Bay and Greater Los Angeles area, 62 percent of Market Making has occurred in the Sacramento region, 19 percent in San Joaquin Valley, and 18 percent in Greater Los Angeles. Furthermore, 58 percent of Market Making activity has been located in low-income, low-access communities.

Healthy food businesses, projects, and ideas can take years to come to fruition and become fully operational. Market Makers played a critical role for FreshWorks in developing the pipeline and supporting entrepreneurs realize their goals over time. Market Makers also allowed FreshWorks to grow in geographies where Community Vision, as a program administrator, does not have a strong presence themselves. This is especially critical in forming helpful connections between community-centered businesses and projects and California’s overarching food system.

FreshWorks works with several organizations that play both a business strategy role and a Market Maker role through engagement with food businesses in different geographies. FreshWorks engaged with the East Oakland Grocery Cooperative to support their community-centered initiative in providing fresh, local, healthy, and culturally-relevant foods, as well as job opportunities, to East Oakland residents. In addition, Daniel Tellalian of Angel City Advisors has been serving as another Market Maker for FreshWorks. Based in Los Angeles, Daniel works with many food businesses by providing technical assistance to get them loan-ready, as well as connecting food entrepreneurs to the local and national food ecosystem.
EveryTable

**BUSINESS SECTOR:** Food Service  
**LOCATION:** Greater Los Angeles area  
**YEAR OF SUPPORT:** 2020  
**TYPE OF FRESHWORKS SUPPORT:**  
1. $1.5M and $1M loans from the Reinvestment Fund  
2. $300K and $200K loan guarantees from FreshWorks  
3. $50K technical assistance grant from FreshWorks

Everytable, a food business based in the Greater Los Angeles area, has a business model focused on drastically reducing the costs of the standard restaurant. Creating affordable meals with nutritious and wholesome ingredients, Everytable has locations in food deserts and underserved communities with little or no access to nutritious food, as well as in affluent areas; each grab and go meal is priced according to the neighborhoods that Everytable is located in.

In 2020, the business owners of Everytable were connected with the Reinvestment Fund through FreshWorks’ Market Maker Daniel Tellalian of Angel City Advisors. The Reinvestment Fund provided two working capital loans for Everytable, and FreshWorks provided loan guarantees to support the transactions. During the pandemic, FreshWorks also provided a grant to help Everytable expand its weekly meal program to bring healthy food to former foster youth and their families through a partnership with Foster Nation. Everytable also utilized their existing infrastructure to work with a variety of other non-profits across the city and county to bring meals to seniors, people with disabilities, and low-income families – demonstrating a deep commitment to those most affected in its community by COVID-19.

FreshWorks aims to support healthy food businesses across the food value chain. Over half of the businesses receiving FreshWorks support fall under grocery/retail or food service.

By offering grants, loans, and credit enhancements, FreshWorks supports a more diverse set of businesses. For example, while businesses that received loans are more likely to be grocery/retail or food service businesses, 19 percent of grant recipients were grower/producers.
FreshWorks’ support across the value chain is less diverse when looking at total dollars deployed. While 41 percent of FreshWorks supported businesses have been grocery stores, a higher proportion of capital (86 percent) has been directed towards grocery to support more capital-intensive construction and expansion activities. The remaining 59 percent of businesses include food service businesses, growers/producers, distributors, and commercial kitchens.

This trend is largely driven by FreshWorks’ loans. While 62 percent of FreshWorks’ loans are deployed towards grocery/retail businesses, 87 percent of loan dollars were deployed towards grocery/retail. In comparison only 22 percent of FreshWorks’ grants and 28 percent of grant dollars have been deployed towards grocery/retail businesses.
FreshWorks Social & Economic Impacts

FreshWorks seeks to increase access to affordable healthy food as a means of increasing the health of all California residents, prioritizing those in low-income communities, communities that have been historically underserved, and BIPOC communities. FreshWorks contributes to healthy food access by supporting food businesses and projects that grow, aggregate, distribute, and sell healthy food in a way that builds a sustainable food system in California and reaches people in need.

44 percent of FreshWorks transactions and 49 percent of FreshWorks capital have been provided in low-income, low-access communities which are defined as low-income communities greater than half a mile from a grocery store in urban areas or greater than 10 miles from a grocery store in rural areas.

Figure 13: FreshWorks Support in Low-Income, Low-Access Communities
The program is also prioritizing businesses in low-income, low-access communities through Market Making. 58 percent of businesses in the Market Making pipeline are in low-income, low-access communities. In addition, all businesses receiving support from FreshWorks that are not located in low-income, low-access communities focus on serving customers in these communities. FreshWorks utilizes its Impact Scorecard to assess mission alignment with each business and ensure they are providing healthy food access to low-income communities.

FreshWorks is also working with businesses that operate in communities with low health and well-being outcomes which are defined as communities with low life expectancy rates and low or limited access to health care. 87 percent of FreshWorks-supported businesses are located in and almost 100 percent of FreshWorks capital has been deployed to communities with health and well-being outcomes at or below the 50th percentile as compared to the rest of California. Therefore, businesses located in these communities can play an important role in improving the health outcomes of individuals in these communities by providing access to affordable, fresh healthy food options.

Figure 14: FreshWorks’ Health & Well-Being Outcomes

Business owners and employees reported that they are actively working to increase access to fresh and affordable healthy food. For example, Hasta Muerte Coffee based in Oakland is using FreshWorks grant funding to adapt their menu offerings to include more nutritious options through working with an herbal nutrition consultant. La Jacka works to introduce jackfruit as a vegan alternative to meat within tacos, burritos, and quesadillas, increasing healthy food options in its community in Fresno.

In addition, FreshWorks-supported businesses have a strong understanding of the local cultural-relevancy of food; in fact, approximately 88 percent of survey respondents stated that their business considers the cultural relevancy of the healthy food they sell or produce. With this local context, many FreshWorks-supported businesses have been able to prioritize community education on healthy food. For example, Three Sisters Gardens is a nonprofit organization bringing community members
together to grow food in West Sacramento, California. Three Sisters Gardens places an emphasis on community building and reducing youth incarceration by engaging them in their cultural land practices and providing job training while educating them about healthy lifestyles and food. In addition to teaching local youth and the community how to grow, produce, and distribute healthy food, they conducted weekly cooking classes in partnership with local chefs with recipes community members could take home. This prioritization of education is a key element to their organization as they understand the cultural context of food, land, and the lasting impacts of colonization in their community.

COMMUNITY FOODS MARKET

BUSINESS SECTOR: Grocery/Retail
LOCATION: West Oakland
YEAR OF SUPPORT: 2017-2019
TYPE OF FRESHWORKS SUPPORT:
1. 4 loans totaling $21.2m from Community Vision, Self Help FCU, NFF, & Clearinghouse
2. 2 loan participations & 1 guarantee totaling $1.5m
3. $13k grant

Community Foods Market, a grocery store founded by food entrepreneur Brahm Ahmadi, is the first full-service food market to the McClymonds, Hoover-Foster and Clawson neighborhoods of West Oakland since the 1970’s. The journey toward opening an independent, locally owned and mission-driven food market and café was long and faced many challenges. Locally-owned businesses like Community Foods Market in places like West Oakland are at an immediate disadvantage in accessing capital, due to decades of disinvestment that are the result of racial discrimination and structural inequities.

FreshWorks supported Community Foods Market since the onset, by providing working capital and construction loans and grant support. Community Foods Market envisions itself not only as a grocery store but as a community anchor and gathering place for local residents. Community Foods developed the Front Porch Café to serve as a destination to build community and to help attract customers. However, Community Foods Market has had difficulty attracting customers given the entrenched grocery shopping habits of local residents who have historically shopped outside of the community at larger chain grocery stores. To address this challenge, Community Foods Market engaged with community partners to encourage residents to change their shopping habits and shop locally at Community Foods, and has plans to expand its marketing efforts.
65 percent of FreshWorks capital has been invested in economically distressed communities. FreshWorks has seen this percentage increase over the past three years of the program and in 2020, approximately 92 percent of FreshWorks capital was deployed towards businesses located in economically distressed communities.

FreshWorks is supporting businesses that are located in economically distressed communities or communities affected by high unemployment, high poverty, or low-to-moderate income. FreshWorks also strengthened local economies by creating and retaining jobs across the food value chain.

FreshWorks-supported businesses created or retained 326 jobs across California since 2018. Of these 56 percent have been full-time jobs and 44 percent have been part-time. According to the 2020 FreshWorks impact survey, 85 percent of respondents stated they have specific initiatives in place to hire within their local communities.

FreshWorks-supported businesses are also committed to providing quality jobs to their workers that increase workers’ economic security, improve health, and promote work-life balance. For example, 85 percent of FreshWorks survey respondents promoted and hired from within their own organizations by filling open positions with internal candidates, 77 percent responded that they provide their employees with their schedules at least two weeks in advance, and 69 percent provided their employees with two or more weeks of paid leave a year.

FreshWorks employees further highlighted that business owners were supportive and open to career building opportunities and gave employees space to advance in their roles internally and beyond. This focus on career building is an important aspect of FreshWorks-supported businesses efforts to support good jobs for workers from the community and contribute to a more equitable food system.
While FreshWorks-supported businesses have historically reported challenges in providing more costly components of a quality job for employees, such as health benefits and retirement savings plan options, business owners who responded to the survey indicated interest in providing benefits in the near term. Of those who were not able to provide benefits to employees currently, 69 percent stated that they plan on providing benefits within the near term.

FreshWorks focus on racial and social equity reflects a deep understanding that the individuals who are the most impacted by issues of food insecurity, obesity, and lack of access to nutritious food are BIPOC individuals, women, children, low-income individuals, and food system workers.

In addition, ownership of both land and capital in the food system has historically been white and male, and over 50 percent of entrepreneurs of color are denied access to capital annually in California. FreshWorks aims to address these systemic inequities by prioritizing lending to women and BIPOC entrepreneurs. FreshWorks commitment to racial and social equity is also reflective of Community Vision’s overarching commitment to racial justice and, FreshWorks’ efforts also informed Community Vision’s other lending activities such as with the REAL People’s Fund.

87 percent of FreshWorks grant capital has been directed towards BIPOC-led food businesses and 77 percent of FreshWorks loan capital has been deployed to BIPOC-led food businesses. The charts on the following page depict the breakdown of FreshWorks business owners by race and ethnicity. Grant capital has largely been supporting Latinx and African American/Black business owners, and loan capital has largely been supporting Latinx and Middle Eastern business owners. While white business owners received 24 percent of FreshWorks’ loans, only 13 percent of the loan capital was deployed towards white-owned businesses. This suggests that BIPOC-led businesses received larger loans than white-owned businesses through FreshWorks.
FRESHWORKS’ TRANSACTIONS BY BUSINESS OWNER RACE & ETHNICITY

GRANT RECIPIENTS

N=36

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Grant Recipients</th>
<th>Grant Capital Directed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latinx</td>
<td>42%</td>
<td>3%</td>
</tr>
<tr>
<td>African American</td>
<td>19%</td>
<td>1%</td>
</tr>
<tr>
<td>White/Non-Latinx</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td>Asian</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td>Majority Non-White</td>
<td>10%</td>
<td>1%</td>
</tr>
<tr>
<td>Middle Eastern</td>
<td>13%</td>
<td>3%</td>
</tr>
<tr>
<td>Multicultural or Other Non-White Identified</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Native American</td>
<td>8%</td>
<td>1%</td>
</tr>
</tbody>
</table>

LOAN RECIPIENTS

N=21

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Loan Recipients</th>
<th>Loan Capital Directed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latinx</td>
<td>45%</td>
<td>5%</td>
</tr>
<tr>
<td>Middle Eastern</td>
<td>29%</td>
<td>4%</td>
</tr>
<tr>
<td>White/Non-Latinx</td>
<td>35%</td>
<td>5%</td>
</tr>
<tr>
<td>Native American</td>
<td>13%</td>
<td>0.1%</td>
</tr>
<tr>
<td>African American</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Majority Non-White</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Figure 16: FreshWorks Transactions by Business Owner Race
In addition, 53 percent of business owners that received FreshWorks grant capital reported that they identify as female or differently identified; however, only 19 percent of business owners that received FreshWorks loan capital reported that they identify as female, or differently identified. This highlights that despite FreshWorks intentionality in applying a justice lens to its activities and work with partners and Market Makers, loans continue to go primarily to male-led organizations. When examining loan capital deployed by FreshWorks, this disparity is even greater with 91 percent of loan capital having been disbursed to male-led food organizations.

FreshWorks-supported businesses are also supporting BIPOC employees across California. Of the businesses who responded to the survey, 64 percent of employees identified as Hispanic, or Latino and 14 percent identified as Black or African American.

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**FRESHWORKS’ TRANSACTIONS BY BUSINESS OWNER GENDER**

*Percentage of Businesses Served*

**GRANT RECIPIENTS**

*N=36*

- **Male**
  - 33% GRANTS PROVIDED
  - 6% GRANT CAPITAL DIRECTED TOWARDS BUSINESSES

- **Female**
  - 38% GRANTS PROVIDED
  - 4% GRANT CAPITAL DIRECTED TOWARDS BUSINESSES

- **Differently Identified**
  - 47% GRANTS PROVIDED
  - 14% GRANT CAPITAL DIRECTED TOWARDS BUSINESSES

- **Other**
  - 47% GRANTS PROVIDED
  - 11% GRANT CAPITAL DIRECTED TOWARDS BUSINESSES

**LOAN RECIPIENTS**

*N=21*

- **Male**
  - 62% LOANS PROVIDED
  - 5% LOAN CAPITAL DIRECTED TOWARDS BUSINESSES

- **Female**
  - 91% LOANS PROVIDED
  - 5% LOAN CAPITAL DIRECTED TOWARDS BUSINESSES

- **Differently Identified**
  - 19% LOANS PROVIDED
  - 5% LOAN CAPITAL DIRECTED TOWARDS BUSINESSES

- **Other**
  - 14% LOANS PROVIDED
  - 4% LOAN CAPITAL DIRECTED TOWARDS BUSINESSES

---

*Figure 17: FreshWorks Transactions by Business Owner Gender. Note that “Other” includes ownership structures such as worker cooperatives, multiple owners, etc.*
La Jacka was founded in 2016 by Miriam Martinez and Roberto Jauregui and specializes in vegan, affordable, and plant-based Mexican food in the Central Valley of California. Miriam and Roberto are from Nayarit, Mexico and sought to introduce jackfruit to the Central Valley as a healthy, meat alternative for traditional Mexican foods. La Jacka has sold a variety of traditional recipes at swap meets, neighborhood parties, and community events throughout the Central Valley, creating a market for jackfruit products.

Having successfully operated food trucks locally, La Jacka started shifting their focus towards catering contracts in 2019. In the fall of 2019, La Jacka became a member of the 504 Belmont Kitchen managed by Food Commons Fresno. Shortly thereafter, Food Commons Fresno dissolved, and their board offered to sell the organization’s commissary kitchen business to La Jacka given their commitment to the local community and desire for the kitchen to continue to be used as a community resource.

As part of taking on the commissary kitchen, La Jacka partnered with FreshWorks Market Maker Carissa Garcia and two organizations: Cultiva La Salud and the Pan Valley Institute. Cultiva La Salud had been involved with the commissary kitchen previously as an advocate and collaborator with Food Commons Fresno, helping connect mobile food vendors who participated in the organization’s health and local economy program to the kitchen. Cultiva La Salud helped La Jacka take on a grant to place a deposit down for the kitchen to help the kitchen remain community-owned. Following acquisition of the kitchen, Carissa Garcia and the Pan Valley Institute helped identify and connect women-owned and run immigrant businesses in need of culturally sensitive kitchen space with La Jacka’s commissary kitchen.

While there is a shared commitment to advancing racial and social equity among the FreshWorks lenders network, each organization is at a different stage in their journey. Some lenders reported that they explicitly track racial and social equity metrics in their lending, while others mentioned that racial and social equity is integral in their mission, but their organization does not formally track these efforts. All lenders, however, reported that a focus on racial and social equity is part of their mission and lending.
FreshWorks is also committed to supporting environmental stewardship and local sourcing through its work with food businesses across California.

82 percent of businesses who responded to the survey stated they engage in at least one environmental sustainability activity. For example, of those respondents, 86 percent stated they produce and/or sell organic products and 71 percent have a food waste program in place.

**ENVIRONMENTAL SUSTAINABILITY ACTIVITIES**
*Among Businesses Who Reported at Least One Sustainability Activity, N=14*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produce/Sell Organic Products</td>
<td>86%</td>
</tr>
<tr>
<td>Have a Food Waste Reduction Program in Place</td>
<td>71%</td>
</tr>
<tr>
<td>Have a Composting Program in Place</td>
<td>50%</td>
</tr>
<tr>
<td>Implement Any Other Policies to Ensure Environmentally Sustainable Practices</td>
<td>50%</td>
</tr>
<tr>
<td>Conduct an Energy Efficiency Audit and/or Put in Place Measures to Increase Energy Efficiency</td>
<td>36%</td>
</tr>
<tr>
<td>Explicitly Seek to Source Renewable Energy</td>
<td>36%</td>
</tr>
</tbody>
</table>
In addition, FreshWorks-supported businesses are also committed to sourcing their products and services locally from farms and vendors across California. On average, respondents reported that 88 percent of their vendors are California-based. In addition, most respondents indicated that they sourced ingredients and products directly from local farms, as well as from farmers markets in the area. FreshWorks-supported businesses were not only dedicated to sourcing locally, but also prioritized promoting the consumption of food from California through advertising, signage, sales, and other strategies; in fact, 81 percent of survey respondents stated that they actively promote California-sourced food at their business.

“We grow a wide range of crops and varieties that our diverse community cooks at home: Latino, Asian, African American, Middle Eastern crops. Of course, only some of these crops do well in our climate zone, but we are always experimenting and asking the community what they want.”

– Oya Organics, FreshWorks Grant Recipient
Businesses across the food system have been and continue to be severely negatively impacted by the COVID-19 pandemic.

In its latest annual report, 2021 The State of Restaurant Industry, The National Restaurant Association highlighted that over 110,000 eating and drinking establishments closed in 2020 and 2.5 million jobs in the industry disappeared. Businesses across the food value chain have been impacted by the pandemic and as rules and regulations continue to change, businesses have been forced to continually pivot operations, and employees and business owners have had to manage protecting themselves from getting sick.

FreshWorks-supported businesses reported experiencing these same negative effects. One of the greatest impacts of the pandemic on FreshWorks-supported businesses has been the operational challenges it has raised. Approximately 69 percent of businesses that responded to the survey stated that they had to pivot their business operations in response to the pandemic, including by creating curbside pick-up options or adding new offerings to their business. Over the course of the pandemic, businesses have had to adjust and readjust for both an increase and decrease in demand from customers. About 25 percent of survey respondents stated that they had to close their business temporarily as a result of the crisis.

**Figure 19: COVID-19 Impacts to FreshWorks-supported Businesses**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pivot my Business Operations (e.g., Switch to Curbside Pick-up, Change my Offerings)</td>
<td>69%</td>
</tr>
<tr>
<td>Adjust for an Increase in Customer Demand</td>
<td>69%</td>
</tr>
<tr>
<td>Adjust for a Decrease in Customer Demand</td>
<td>50%</td>
</tr>
<tr>
<td>Furlough or Lay Off Employees</td>
<td>31%</td>
</tr>
<tr>
<td>Other</td>
<td>31%</td>
</tr>
<tr>
<td>Cut Employee Hours</td>
<td>25%</td>
</tr>
<tr>
<td>Close my Business Temporarily</td>
<td>25%</td>
</tr>
<tr>
<td>Reduce Business Operating Hours</td>
<td>19%</td>
</tr>
<tr>
<td>Reduce Employee Wages</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Figure 19: COVID-19 Impacts to FreshWorks-supported Businesses*
In addition, businesses that were interviewed reported that they not only pivoted their business models to maintain revenues, but also to ensure that their communities still had access to healthy food during the pandemic. FreshWorks-supported businesses also reported that the communities that they are serving have been the most heavily impacted by COVID-19, both in terms of their health and the economic impacts of the pandemic and thus maintaining service was critical. Mandela Partners prioritized offering free food programs to their communities over their subsidized food programs to ensure those affected by COVID-19 had access to healthy food. Three Sisters Gardens provided CSA boxes to its community, primarily to seniors, which has been critical during the pandemic.

Another theme that emerged from the interviews was businesses’ prioritization of employee mental and physical health, safety, and wellbeing during this time. All employees interviewed felt as though their employer took appropriate measures to keep them safe in the workplace. Businesses also reported that they offered mental health days and flexible scheduling in order to alleviate the mental and emotional toll the pandemic was taking on workers. Some of the additional challenges that FreshWorks-supported businesses reported included staffing and keeping track of changing COVID-19 health regulations from state and local health departments.

To support food businesses and projects during the pandemic FreshWorks offered emergency response grants to impacted businesses across California and disbursed $250,481 in grant capital. Separate from FreshWorks’ emergency response grants, some food businesses reported receiving guidance from Community Vision on accessing COVID-19 relief funding. Among FreshWorks survey responses, 63 percent reported that they received financing through the Paycheck Protection Program (PPP) and 56 percent received other forms of grant support.

**Figure 20: COVID-19 Relief Funding**

<table>
<thead>
<tr>
<th>Relief Funding</th>
<th>Percentage of Businesses, N=16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paycheck Protection Program (PPP)</td>
<td>63%</td>
</tr>
<tr>
<td>Grant Funding</td>
<td>56%</td>
</tr>
<tr>
<td>Economic Injury Disaster Loan (EIDL)</td>
<td>25%</td>
</tr>
<tr>
<td>None</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
</tbody>
</table>

Figure 20: COVID-19 Relief Funding
Beyond offering grant support for food businesses and projects during this time, members of the lenders network reported that they increased their outreach to businesses in their portfolio to offer support during this time. This included direct outreach, loan deferments, interest-only payments, and technical support. Some lenders also reported a decrease in new funding requests from prospective borrowers during this time. In addition, the lenders shared that they recognized that COVID-19 presented a busy and challenging time for themselves and Community Vision as administrator, but some suggested it would have been helpful for FreshWorks to coordinate with the lenders network and more proactively act as a resource to address COVID-19 concerns for food businesses.
Reflections and Learnings from the Last Three Years of FreshWorks

In reflecting on FreshWorks’ activity, outcomes, and innovative approach to healthy food financing over the last several years, key insights and lessons learned have emerged that will shape FreshWorks future efforts and can help inform the work of investors, CDFIs, policymakers, and others within healthy food financing and community investing more broadly.

Lenders Network

FreshWorks’ lenders network was intended to bring together the capabilities of mission-aligned CDFI partners who would provide a wider variety of flexible and affordable loan products to meet the needs of food businesses and projects in different geographies across California. The decision to create a lenders network was informed by one of the most significant lessons learned from FreshWorks’ previous iteration, that aggregating large amounts of capital from multiple investors in a fund is ineffective if the capital and the investors’ requirements are not structured to meet market demand and cannot easily be modified when needed to provide more flexible terms. In addition, it had become clear that it was difficult for only one lender to serve the financing needs of a diverse set of food businesses and projects across such a large state as California.

FreshWorks’ lenders network sought to move beyond the one lender and fund approach and organize mission-aligned partners under the FreshWorks platform who collectively could meet the needs of food entrepreneurs and projects, especially those owned by people of color or operating in underserved communities who had been bypassed by traditional lenders.

The lenders network has been a successful new component for FreshWorks with lenders making loans from their own balance sheets and utilizing credit enhancement to look beyond their typical underwriting standards to provide flexible capital to food entrepreneurs and projects. Over time, the lenders network enabled FreshWorks to extend its geographic reach beyond Community Vision’s own footprint in the Bay Area and make loans in FreshWorks other priority geographies. For example, while Community Vision has been involved in 70 percent of loans in the East Bay, they have not been the primary lender in the Greater Los Angeles area. In the Greater Los Angeles Area, 40 percent of loan transactions have been through Genesis LA, 40 percent through Reinvestment Fund, and 20 percent through Self Help FCU.

The lenders network also attracted CDFIs with varying levels of experience in healthy food finance and Community Vision has provided support to lenders like Genesis LA who are newer to this type of lending, helping them to build their capacity and potential to grow their portfolio in the food ecosystem. Lenders in general reported strong interest in growing their capabilities in healthy food financing, as well as an eagerness to become more involved in the FreshWorks lenders network.

“The FreshWorks [lenders network] has allowed us fill in gaps in our portfolio…and become more plugged into the food universe.”

– Genesis LA
However, FreshWorks’ lenders have not been as active as originally envisioned and the potential of the lenders network has yet to be fully realized. Of the 21 transactions made by FreshWorks, approximately half have been made by Community Vision and half by the lenders network, indicating that Community Vision is still driving much of the lending activity for FreshWorks. In addition, members of the lenders network with existing healthy food financing experience like Self Help FCU and the Reinvestment Fund have been more active and account for more of the lenders network loans. This unequal participation can be attributed to a variety of factors, including the need for more concerted and consistent outreach, communication, and support from Community Vision, lack of expertise in healthy food financing, and a mismatch in the typical size and type of transactions done by members of the lenders network and opportunities in the FreshWorks pipeline. However, lenders in the network expressed interest in engaging more frequently and receiving dedicated technical support from Community Vision to help them deploy more loans, as well as having opportunities to learn from one another within the lenders network. It is clear that despite the mission-alignment of partners in the lenders network, the availability of credit enhancement and grants to support food businesses and projects, more communication and technical support is needed to catalyze activity across the lenders network. FreshWorks will need to explore additional opportunities to deepen its engagement with the lenders network and should consider dedicated technical assistance in the form of underwriting training, mentorship, and network building for lenders with limited experience in healthy food financing.

**Key takeaway:** FreshWorks lenders network helps support food businesses and projects beyond Community Vision’s geographic footprint, especially in the Greater Los Angeles area. However, the lenders network’s activity has been limited and uneven across partners. Through more consistent communication and dedicated technical support FreshWorks can more fully realize the potential of the lenders network and deploy more capital to underserved communities.

**Credit Enhancements**

FreshWorks’ use of credit enhancement represents an important innovation within healthy food financing with the potential for accelerating investment in community-centered food businesses, especially BIPOC-owned businesses and businesses operating in underserved communities that have been historically overlooked due to structural racism in the food and financing systems. FreshWorks used two forms of credit enhancement – guarantees and loan participations – to support the lenders network in making more loans to food businesses, especially those that they might deem too risky and typically would not consider given their underwriting guidelines.

FreshWorks’ extension of credit enhancement to the lenders network succeeded in supporting loans across the lenders network and enabling entrepreneurs to access critical capital for their business. Overall, FreshWorks’ credit enhancements resulted in $32.5 million in transactions to food-related businesses - nine times the amount of capital committed as credit enhancements in these transactions. Of the transactions made by lenders other than Community Vision, seven of the total eleven utilized loan participations ($2.1 million) or guarantees ($767,000) and leveraged $16.7 million in total financing. In addition, of FreshWorks loans to businesses operating in communities with health and well-being outcomes below the 50th percentile, a greater proportion of those transactions were made using credit enhancements.

“The FreshWorks [credit enhancement program] has allowed us to stretch [and] finance projects that are inherently riskier, where the prospect of community impact is the greatest.” – Self Help FCU
enhancements, indicating credit enhancements helped facilitate transactions with businesses in communities with greater need for affordable and healthy food.

However, while credit enhancements helped catalyze loans to entrepreneurs and projects, they could have been more fully used by FreshWorks to support even more mission-aligned food businesses and projects. Only $3.5 million of the $8 million total credit enhancement pool (both loan participation and guarantees) has been used by FreshWorks in partnership with the lenders network. The original intent of the credit enhancement pool was to create streamlined and flexible credit enhancement for food-related loans that provided first loss protection with minimal additional underwriting and an affordable fee structure. While Community Vision worked collaboratively with the lenders network to help them effectively utilize credit enhancement to support their lending, lenders found the terms of credit enhancement provided by FreshWorks not sufficiently flexible. In addition, eligibility requirements have also been viewed as too restrictive, such as the condition that credit enhancement could only be used with transactions in FreshWorks priority geographies. While Community Vision as program administrator has sought to be responsive to this feedback, it has been difficult to modify the terms of FreshWorks’ credit enhancements, given any changes require a series of discussions across FreshWorks’ investors, approval from their respective boards, and legal support to modify credit enhancement terms and amend agreements. As a result, any changes require significant time and effort on the part of Community Vision and FreshWorks’ investors and impair FreshWorks’ ability to adapt based on feedback and apply credit enhancement in a flexible manner that is responsive to community needs. Moving forward, it will be important for FreshWorks to determine in partnership with its investors how to better build flexibility and adaptability into credit enhancements so as to scale their use in support of community-centered food entrepreneurs and projects.

**Key Takeaway:** FreshWorks’ credit enhancements support impactful loans that may not occur otherwise to entrepreneurs and projects increasing equitable food access. However, credit enhancements could be more fully utilized to catalyze activity among FreshWorks’ lenders network and scale investment in underserved communities.

**Market Making**

FreshWorks’ Market Making component has been another important tool in FreshWorks’ revised approach to healthy food financing - bolstering its capacity to support longer-term cultivation of healthy food businesses and projects in communities. FreshWorks’ Market Making activities have resulted in a pipeline of 100 community-centered food businesses and projects and helped forge partnerships and connections across California’s food system. Market Making has also helped FreshWorks operate in geographies where Community Vision does not have a geographic presence – extending FreshWorks’ reach to Southern California.

During the previous iteration of FreshWorks, several partners noted the need for longer-term technical assistance focused on cultivating opportunities and building relationships in underserved communities, long before a prospective deal may even be possible. FreshWorks’ Market Making function with its longer-term focus and dedicated technical assistance acknowledges and seeks to address the reality that many healthy food businesses and projects in food insecure communities can take years to develop and become operational.

FreshWorks’ Market Making helped several smaller towns explore bringing grocery stores to their communities. FreshWorks worked with community members in Firebaugh, California to conduct a grocery store analysis to assess the viability of a potential site in attracting a grocery operator to the community. While the grocery analysis determined that the site was not viable, the community had been exploring for
several years how to bring a grocery store to the community and the analysis enabled them to move forward and consider alternative options.

Market Making also helped build connections across FreshWorks’ network. FreshWorks Marketing Making reconnected Capital Impact Partners with Northgate Market for a NMTC grocery store transaction in Southeast Los Angeles. In addition, FreshWorks Marketing Making introduced FreshWorks-funded Food Forward, a food waste recovery and food relief distributor, and the Los Angeles Regional Food Bank to a vacant supermarket site that they could use as a temporary distribution hub for expanded COVID-19 food relief operations. However, there is still opportunity for FreshWorks to support greater connections. Members of the lenders network expressed interest in learning from the work of Market Makers and Market Makers indicated they had limited visibility into the work of the lenders network. To bolster connections and support mutually beneficial activity FreshWorks can more intentionally share updates between Market Makers and the lenders network and encourage collaboration between lenders and Market Makers.

While Market Making has been an important asset to FreshWorks in making connections and providing dedicated support to underserved communities, it is resource-intensive and takes time for results to surface, which requires a patient and longer-term outlook from Community Vision and FreshWorks’ investors and funders. However, after several years of pipeline development and relationship building with community-centered entrepreneurs and food projects the results of FreshWorks’ Market Making activities are being realized and translating into FreshWorks transactions and ecosystem building. In addition, FreshWorks’ Market Making has informed Community Vision’s work in other program areas to help nonprofits and businesses make connections, access resources and other forms of support beyond capital. Community Vision has begun to refer to this body of work and the individuals who help connect and point organizations to resources as a “navigator” role in the community. Community Vision believes this work is essential in building community and offering support beyond capital and they have begun to embed this role into different aspects of their organization’s work.

**Key takeaway:** While Market Making requires a patient approach and greater resources, it has been critical in expanding FreshWorks pipeline, forging connections across California’s ecosystem of healthy food businesses, and providing longer-term support to food projects in underserved communities.
Technical Assistance Grants
The use of grants, particularly small grants, allowed FreshWorks to provide technical assistance and support for a diverse group of healthy food businesses across California. All of FreshWorks' grants have been $50,000 or less and approximately 44 percent of all FreshWorks grants have been under $15,000. FreshWorks' grants are extremely impactful for early-stage, grassroots organizations that may have difficulty accessing capital, especially those led by BIPOC individuals. FreshWorks intentionally sought to provide grant support to these community-centered organizations with 87 percent of grants provided to BIPOC-led organizations. In addition, FreshWorks' small grants supported food businesses in their journey to become loan-ready. Of the 21 FreshWorks loans, 7 borrowers received technical assistance grants prior to receiving their loan. FreshWorks' grant support has also been a vital tool during COVID-19. To meet the needs of entrepreneurs, FreshWorks created an additional set of COVID-19 response grants to provide time-sensitive capital to support business resilience and help entrepreneurs make important COVID-19 pivots.

While FreshWorks technical assistance grants and COVID-19 response grants provided important support to community-centered food businesses and projects the grants have primarily been initiated by Community Vision staff introductions and on a more limited basis from partners' referrals. FreshWorks can further engage the lenders network in seeking referrals of community-centered entrepreneurs and projects who would significantly benefit from FreshWorks grant support.

Key takeaway: FreshWorks is providing catalytic grant support to food businesses who need it the most across California. There is opportunity for FreshWorks to further engage the lenders network through grant referrals and cultivate its pipeline of community-centered food businesses.

Community-Centered, Mission-Driven
Design & Approach
Beyond its unique approach to healthy food financing, unifying through lines across all of FreshWorks' efforts have been its consistent prioritization of community-centered impact both in the ways it provides lending, technical assistance, and engages as well as in who its efforts support.

When interviewed, the FreshWorks lenders network highlighted that working with Community Vision as the program administrator has been a fluid and collaborative process. Funders who provided funding for the program overall and business owners who received FreshWorks financing also commended Community Vision for their dedication to mission as well as their community-centered approach to supporting food businesses and projects. To be sure, the process of working through FreshWorks as a platform for lenders has been a new experience for some of the lenders participating and for Community Vision as administrator. To make this approach work, FreshWorks sought to be flexible in the ways it engages with the lenders network and, where appropriate, served as a sounding board and supported lenders in working through specific healthy food project nuances, while also giving partners autonomy to act independently and support food businesses and projects.

To achieve FreshWorks desired outcomes, Community Vision consistently prioritizes the mission of the program and the needs of business owners and communities. This has shown through in the ways that new tools such as credit enhancements and Market Making have been implemented, with BIPOC entrepreneurs and community-centered food projects as the primary beneficiaries. Outside of the financing and technical assistance tools used by FreshWorks,
Community Vision has been taking a mission-first strategy when engaging with partners, business owners, and the industry at large. For example, Community Vision intentionally held its FreshWorks Summit in 2019 in Fresno, CA, so that it could not only convene industry experts and partners but also FreshWorks-supported businesses in the Central Valley. This changed the types of discussions featured at the summit and ensured that entrepreneurs and employees could share their experiences from their work and further the conversation on how to create a more equitable food system in California.

FreshWorks prioritization of mission and community is also evident in the types of food businesses and projects that FreshWorks supports who are community-based and highly aligned with FreshWorks mission and vision to build a more equitable food system in California. Business owners interviewed during the evaluation often mentioned a commitment to their community that went beyond the products and services they sold. This included offering ancillary services along with healthy food, to ensure their community fully benefited from the work of their business. For example, La Jacka and Three Sisters Gardens, both prioritized offering cooking classes, recipes, and educational resources as part of their services and products to ensure that clients gained knowledge on how to utilize healthier produce. Others, such as Miss Ollie’s, Hasta Muerte Coffee, and Community Services Unlimited, have also sought to make their businesses a place for community gathering and connection.

“We are a collectively owned and operated café and event space (e.g. film screenings, cultural events, art gallery). We are trying to have a space that accommodates everyone and builds an atmosphere of tranquility. We are trying to be more than a business here; we are looking at how we participate in the local economy and how we can provide something for the community they aren’t getting elsewhere.”

– Hasta Muerte Coffee, FreshWorks Grant and Forgivable Loan Recipient

**Key takeaway:** Community Vision consistently prioritizes mission and places the needs of businesses and communities at the center of its healthy food financing efforts. However, a community-centered approach is time and resource intensive and requires patience and a longer time horizon to achieve results.
Supporting Ecosystem Building

FreshWorks has an overarching goal to develop and grow a vibrant healthy food ecosystem that business owners, lenders, partners, and funders can contribute to and benefit from. Beyond providing loans and technical assistance, business owners reported that FreshWorks helped them navigate the industry, understand their role within it, and provided them access to critical connections. For example, one business owner reported that being in the FreshWorks ecosystem provided them with helpful and necessary contacts to grow their business and are particularly looking forward to growing their network in the manufacturing and warehousing areas, and they are excited to connect with these resources as soon as it is safe to do so.

Furthermore, access to FreshWorks financing provided credibility for many food entrepreneurs and the funding they received through FreshWorks enabled them to build a track record and secure additional capital. In addition, 100 percent of businesses interviewed reported that they would recommend FreshWorks to their peers looking for financing in the healthy food industry. In general, businesses were eager to be connected to peers and other organizations across FreshWorks’ ecosystem, and the food system in California in general. While only approximately 19 percent of businesses who responded to the survey stated that they were currently in contact with other FreshWorks-supported businesses, the vast majority were interested in building those connections.

FreshWorks creation of the lenders network and use of credit enhancement also fostered greater connectivity between CDFIs and the healthy food ecosystem. The lenders network includes CDFIs with limited experience in healthy food financing and being able to participate in FreshWorks and learn from Community Vision’s food lending experience allowed lenders to become more comfortable with healthy food financing. FreshWorks also supported more experienced lenders in deepening their engagement in California’s food ecosystem by providing credit enhancement to mitigate risk and enable lenders to stretch beyond their typical underwriting guidelines.

While FreshWorks has positively contributed to California’s healthy food ecosystem, more regular communications from Community Vision to FreshWorks partners on key activities and opportunities and intentional facilitation of connections between lenders, Market Makers, and technical assistance providers can help FreshWorks enhance its ecosystem building efforts.

Key takeaway: FreshWorks is supporting California’s healthy food ecosystem beyond its capital and technical assistance by helping food entrepreneurs navigate the ecosystem and access key resources as well as by supporting CDFIs newer to healthy food financing. Through more regular communication and by facilitating connections across the lenders network, Market Makers, and technical assistance providers FreshWorks can further contribute to a more equitable food system.
Over the last three years, FreshWorks made significant progress towards its objectives and deployed $75 million in loans, $3.6 million in credit enhancement, nearly $1 million in grants, and tracked 100 Market Making opportunities.

Nearly half of FreshWorks capital has been directed towards low-income, low-access communities and 99 percent of capital has been invested in communities with poor health and well-being outcomes. In addition, 90 percent of FreshWorks transactions have been to BIPOC entrepreneurs and 53 percent have been to female or differently identified individuals highlighting FreshWorks efforts to support business owners who have historically had difficulty accessing capital due to systemic racism in finance. FreshWorks-supported businesses also created or retained 326 jobs across California since 2018. FreshWorks also supported food businesses and projects which employ environmentally sustainable practices and promote local and healthy foods supporting a sustainable California food system.

FreshWorks prioritizes a community-centered approach to healthy food financing and has introduced important innovations to better meet the needs of California’s food entrepreneurs and projects. FreshWorks lenders network combined with the use of credit enhancement highlighted how CDFIs can be engaged in healthy food financing and use their own balance sheets and stretch beyond typical CDFI underwriting guidelines to make loans to businesses that may have previously been considered too risky. The lenders network also demonstrated how CDFIs newer to healthy food financing can learn from other more experienced lenders - building capacity for more institutions to support food entrepreneurs. In addition, FreshWorks Market Making and technical assistance grants have highlighted the importance of dedicated technical assistance that can support both short-term business needs and longer-term community initiatives in service of a more equitable and just food system.

FreshWorks is seeing the outcomes of its community-centered approach and the innovations it introduced but there is opportunity to realize even greater results should FreshWorks increase connection, communication, and collaboration across the lenders network, Market Making, and technical assistance to build a community of practice among its partners driving more investment in food entrepreneurs and projects.

Moving forward, FreshWorks will remain flexible and adaptive while seeking to increase access to affordable, healthy food in low-income and underserved communities in California. FreshWorks remains committed to creating a more sustainable, equitable food system for all Californians, and hopes that the learnings surfaced through this evaluation can not only support its own work but the efforts of other healthy food financing initiatives across the country.
Appendix

Appendix A: Analytical Methodologies

**FreshWorks Priority Geographies**

**California FreshWorks Target Geographies:**

- East Bay (Alameda and Contra Costa Counties)
- Sacramento (Yolo, Sacramento, San Joaquin and Stanislaus Counties)
- San Joaquin Valley (Merced, Madera, Fresno, Kings and Tulare Counties)
- Greater Los Angeles (Los Angeles County and communities in northwest Orange County, bounded by Highways 23 and 57)
Appendix A: Analytical Methodologies cont.

**Economic Distress**
A community is considered economically distressed if it is any of the following: low-to-moderate income, high poverty, or high unemployment. A community is considered low- to moderate-income if the census tract average median income is less than 80 percent of the metropolitan statistical area’s average median income. A community is considered high poverty if it has a poverty rate of greater than 20 percent. A community is considered high unemployment if the unemployment rate in that community is greater than 1.5 times the national average.

**Low-income, Low-access**
A community is considered low-income, low-access if it is low-income and has limited proximity to a full-service supermarket. A community is considered low-income if the census tract average median income is less than 30 percent of the metropolitan statistical area’s average median income. An urban community is considered to have limited access to a full-service supermarket if the average resident is more than half a mile from the nearest full-service supermarket, and a rural community is considered to have limited access to a full-service supermarket if the average resident is more than ten miles from the nearest full-service supermarket.

**Health and Well-Being Opportunity Index**
Opportunity360 was developed by Enterprise Community Partners, a nonprofit that brings together nationwide know-how, partners, policy leadership and investment to multiply the impact of local affordable housing development. A health and well-being opportunity index of 25, for example, would mean that the given community has health and well-being outcomes superior to those of 25 percent of communities in California. The health and well-being opportunity index is based on access to health care and life expectancy.
Appendix B: FreshWorks’ Tools and Resources

Technical Assistance Program GRANT PROPOSAL GUIDELINES 2019

"Grantees should consider the information below as a guide to assembling an invited proposal for technical assistance to FreshWorks. The FreshWorks Review Committee reviews the proposal to make informed judgments about the merits of the project, the scale and reach of the project, its likelihood of achieving its stated goals, and the capacity of the business to carry out the stated activities effectively. Policies underlying these guidelines can be found on the FreshWorks website. Project status is something we clarify before inviting a proposal. Requests from businesses with revenues greater than $1,000,000 will be considered on an as needed basis. We do not fund: Community gardens, private backyard projects and start-ups with first time businesses. Grants to not cover expenses incurred prior to grant agreement.

WHAT TO EXPECT

Once received, a proposal can take 4-6 weeks before being considered by our committee for approval. In the meantime, the FreshWorks Program Officer will be in touch to potentially arrange a site visit, an in person meeting, to acquire additional project information, and to communicate other steps in the process. If a grant is awarded, the approved TA providers are paid directly.

SUBMISSION FORMAT

Draft proposals should be submitted through email in no more than four files: a cover letter, a Word or PDF file that includes the proposal narrative and budget narrative, an Excel budget spreadsheet, and any additional supporting materials.

PROPOSAL NARRATIVE

All narratives should provide a clear and concise summary description of the project, including the rationale for the request, the amount requested, and the length of time needed to complete the covered technical assistance. Please note if you are currently working with a FreshWorks network lender and if the lender has been included in development of the grant proposal. Proposal narratives should not be longer than 3-5 pages. Proposal narratives will be reviewed according to the following criteria:

1. Project Description (30 points)
   - Summarize the overarching purpose of the technical assistance (TA) project, with a focus on how the proposed scope of work will contribute to, or result in, the operation of an business that will increase access to healthy food in an underserved, low-income community. Include any relevant examples of community leadership, innovation, and lasting economic and health impacts your project will have.
   - List at least one goal to be accomplished through technical assistance.
   - Identify the approximate timeframe for completing the technical assistance.
   - Include a clear statement of consulting needs.
   - Describe qualifications of the selected TA provider.
   - Outline the roles and responsibilities grant applicant and TA provider.

2. Healthy Food Access (25 points)

   How will your project support locally generated solutions and / or innovative and diverse strategies to improve access? Will the intended community experience an increase in access to healthy, affordable and high quality food that respects and is relevant to their cultural and family traditions? At what scale will your project increase access to fresh and healthy food?

3. Equity (25 points)

   How will the business contribute to building an equitable food system locally or within the California? To what extent are you embedded in the community in which you seek to serve? Are you seeking to serve customers from historically marginalized groups? If so, how? To what extent does the proposal convey the experiences and needs of the individuals and communities you seek to serve? To what extent do you connect with, and command the trust of, community
members? To what extent have you established relevant community partnerships? What is your experience in food systems work or in efforts to advance social justice? To what extent does your project convey innovative approaches or utilize a systems approach towards addressing inequities in the food system?

4. Economic Development and Job Creation (10 points)
When operational, will the business provide quality jobs that provide at least three of the following five elements: A living wage, basic benefits, career-building, wealth-building opportunities and/or a fair and engaging workplace? Are you, will you be, supporting historically marginalized or underserved groups through your operations? (e.g. employees, vendors)

5. Local Sourcing (5 points)
Does this business support local/regional food systems by sourcing from local, sustainably run farms or producers?

6. Environmental Stewardship (5 points)
Will the business ensure responsible use and protection of the natural environment through conservation and sustainable practices?

BUDGET NARRATIVE
In the budget narrative, please describe and justify estimated costs of activities from the scope of work. If the proposal requests only partial funding for the grant activities, the budget narrative should include a listing of all other funding sources, the corresponding amounts and percentage of the total budget, and whether the funding is committed or potential. This section should also describe contingency plans if full project funding does not become available.

BUDGET SPREADSHEET
The budget spreadsheet should include only funds requested from FreshWorks. Please note the following regarding the spreadsheet:
  a) Expenses should be separated by clearly defined major categories.
  b) Proposals for collaborative projects should include a consolidated budget, showing separate entries for each participating institution.
  c) Final proposal budgets should indicate review by an individual with institutional responsibility for financial reporting.

FINANCIAL ANALYSIS
For project proposals with annual agency/business revenue greater than $1,000,000, we assess for financial stability for the previous three consecutive years as reflected by the absence of any significant unplanned operating deficit, a positive fund balance and/or a meaningful cash reserve. We ask that you demonstrate financial accountability by submitting a balance sheet and income statement for the previous three years, as well as the current year budget, and year-to-date income statement and balance sheet.

SUPPORTING MATERIALS
  • Scope of work from the prospective TA provider.
  • Past year financials if applicable.
  • Bios and contact information of project staff.
  • Bios/resume/ or curriculum vitae and contact information of TA provider.

REPORTING REQUIREMENTS
Upon completion of a project, recipients of FreshWorks TA grants are required to submit a final report. This report should provide the details of the activities supported by the project, such as a status of operations and timeline for launch, as well as any substantive achievements and lessons learned from the experience.
<table>
<thead>
<tr>
<th>Goal</th>
<th>Priorities</th>
<th>Priority Score (Yes, No)</th>
<th>Total Percentage Met</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Food Access</td>
<td>Will the project support locally generated solutions and/or innovative and diverse strategies to improve access?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Will the intended community experience an increase in access to healthy, affordable, and high quality food that is relevant to their cultural and family traditions?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise produce or provide healthy products including whole, minimally processed foods?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Will the enterprise make a commitment to market, promote, and/or prominently place fresh produce and perishable foods?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise offer programs that incentivize the purchase of healthy foods?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise provide demand-side supports aimed at increasing the consumption of fresh/healthy foods?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise make local foods affordable/competitive?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise improve food security in low or moderate income communities and/or communities of color?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>97%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development and Job Creation</td>
<td>Will the enterprise provide, or anticipate providing, quality jobs that provide at least three of the following five elements: A living wage, basic benefits, career-building, wealth-building opportunities and/or a fair and engaging workplace?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise hire low or moderate income community members?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise anticipate creation of new quality jobs in limited access communities?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Are there policies in place to ensure workers in the enterprise and/or the supply chain are treated fairly?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise provide training for employees?</td>
<td>yes</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Have the owner/operators received any business training or assistance?</td>
<td>no</td>
<td></td>
<td></td>
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<td></td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>Will the enterprise contribute to an equitable food system in California?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is the enterprise owned or controlled by a woman/person of color/low-income person?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise employ women/people of color/low-income people and intentionally reach out to these populations with job opportunities?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise offer training and/or capacity development opportunities for low-income people and/or people of color, especially women, youth and the formerly incarcerated?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Do women/people of color/low-income people have access to the products and/or services offered by this enterprise?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Are women/people of color/low-income people part of the enterprise target market?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Will the project facilitate the transfer of ownership or other long-term proprietary rights to a local resident, with a preference for women/people of color/low-income people?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has the enterprise received certification from the Equitable Food Initiative, Agricultural Justice Project or a similar enterprise?</td>
<td>no</td>
<td>96%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the project support the training or increased capacity of a new generation of farmers/produce/food system workers—especially people of color?</td>
<td>no</td>
<td></td>
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<tr>
<td></td>
<td>Are the food offerings culturally appropriate/specific to the community where they are sold?</td>
<td>yes</td>
<td></td>
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<tr>
<td></td>
<td>See fresh produce and perishable foods being marketed in a culturally-sensitive way?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>81%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Stewardship</td>
<td>Will the enterprise ensure responsible use and protection of the natural environment through conservation and sustainable practices?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the enterprise offer products that are certified organic, naturally-grown, and/or chemical-free?</td>
<td>yes</td>
<td></td>
<td></td>
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<td></td>
<td>Are there policies in place to ensure sustainable management of projects?</td>
<td>no</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Is the enterprise committed to waste reduction strategies, either on farm or at other points in the food supply chain?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>92%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sourcing</td>
<td>Does the enterprise use/focus on California grown ingredients?</td>
<td>yes</td>
<td></td>
<td></td>
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<td></td>
<td>Does the enterprise utilize local vendors?</td>
<td>yes</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Are local products branded and marketed as such?</td>
<td>yes</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Does the enterprise promote the consumption of local food?</td>
<td>yes</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Does the enterprise attempt to make local food affordable/competitive?</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td></td>
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</tr>
</tbody>
</table>

Legend:  
- **<65%** Low Impact  
- **65%-80%** Moderate Impact  
- **80%-100%** High Impact  

Final Score: 97%
Endnotes

2 For further information, please refer to the appendix.
3 Partner and key informant interviews include lenders, funders/investors, and market-makers.
4 The FreshWorks inquiry tracker captures information on each business with which the program has interacted. In the inquiry tracker, FreshWorks partners detail characteristics of any support provided (e.g., grant, loan) and also capture key business characteristics (e.g., sector, stage, business owner gender, business owner race, business owner ethnicity. This report utilizes the information captured in the inquiry tracker as of 9/30/20.
5 The 2020 FreshWorks Social and Economic Impact Survey captures the program’s progress in alignment with its goals of increasing healthy food access, economic development, racial and social equity, environmental stewardship, and local sourcing as of 9/30/20. The 2020 survey had a 43 percent response rate.
6 2018 includes a few loans and grants made in 2016 and 2017 through FreshWorks.
7 For further information, please refer to the appendix.
8 For further information, please refer to the appendix.
9 Number of transactions do not add up to total loan volume because some lenders were involved in multiple deals.
10 2018 includes a few loans and grants made in 2016 and 2017 through FreshWorks.
11 It is important to note that businesses that are not located in low-income, low-access communities may still be serving customers who reside in low-income, low-access communities.
12 For further information, please refer to the appendix.
13 For further information, please refer to the appendix.
14 Near term was defined as within the year 2021.