

Ohio House Finance Subcommittee on Health and Human Services
Proponent Testimony on House Bill 166
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Chairman Romanchuk, Ranking Member West, and members of the House Finance Subcommittee on Health and Human Services – thank you for the opportunity to provide testimony on House Bill 166. I am Diana Turoff, President and CEO of Finance Fund Capital Corporation (FCAP).

FCAP is a nonprofit lender that promotes economic revitalization and community development by providing flexible capital and technical services to for-profit and nonprofit organizations across the state. FCAP was created to improve outcomes in distressed urban and rural communities by partnering with public and private entities to move capital investment into areas that are often overlooked or ineligible for traditional financing. We focus on stimulating economic development by investing in projects that create jobs and increase access to goods and services, primarily in the following industries: manufacturing, health care, community facilities, education, commercial real estate, affordable housing, and healthy food.

While our funding programs cover a wide range of projects, today **I am here to address the Healthy Food for Ohio program. Thanks to the General Assembly's support, this program was launched in FY16 and FCAP has successfully administered the program since its inception. We have proudly supported 11 projects across 6 counties representing diversity in both geography as well as populations served, but all addressing food insecurity.**

FCAP first partnered with the state on the Healthy Food for Ohio program after receiving a number of calls from local civic, business, and direct service leaders across the state describing a lack of healthy food retail options in their communities. We worked with a task force of over 50 non-profit and for-profit organizations and foundations focused on public health outcomes, economic development, community development, and children's needs to determine how to best tackle this problem. The Healthy Food Financing Task Force identified specific obstacles to healthy food retail development in urban and rural areas and recommended a 10-point plan to overcome them. Chief among these recommendations was the creation of a public-private partnership that provides flexible financing to stimulate the development, renovation, and expansion of affordable, fresh, healthy food retail facilities in underserved communities: Healthy Food for Ohio.

Healthy Food for Ohio has been modeled after a successful effort in Pennsylvania, the Fresh Food Financing Initiative. Pennsylvania's state government invested \$30 million into similar programming and over 85% of the funded projects continue to successfully operate over a decade later, as well as improved health outcomes among Philadelphia students.

The Healthy Food Financing Initiative we have administered in Ohio has had an incredibly impactful start. With your help, we were able to attract the only grocer to Vinton County that the community

had seen in over four years, with the locally family-owned and operated Campbell's Market opening in 2017. Families and seniors had been driving over forty minutes beyond county lines to grocery shop prior to Healthy Food for Ohio's intervention. We worked with community leaders on the east side of Cleveland to support a new, independent store owner taking over retail space after a chain grocery store pulled out of the neighborhood. Simon's Supermarket created 30 full-time and 80 part-time jobs for local residents in this distressed urban community, and the store has been stocked with specific items the community requested, from hot prepared food to strollers.

We underwrite projects through a competitive financing process and provide one-time injections of funding that support sustainable business models. That is why partnering with experienced proprietors and operators is so critical to our continued success.

The legislature and Governor Kasich provided the Healthy Food for Ohio program with \$2 million in General Revenue Fund across the biennium during our first year of serving food insecure communities through the Healthy Food Financing Initiative line item in the Ohio Department of Jobs and Family Services budget. We were cut deeply last cycle, to \$200,000 across the biennium, and are grateful to have been included in Governor DeWine's version of the state's operating budget at \$300,000 across the biennium. However, this is simply not enough of an investment to have a significant impact on food insecurity and public health outcomes such as reduced instances of diet-related heart disease and diabetes. We are respectfully requesting \$5 million GRF across the FY 20-21 biennium. With this level of funding, we believe we can effectively deploy dollars across the state to a pipeline of projects in rural and urban communities in greatest need of access to fresh, affordable foods and the stabilizing economic effect grocery stores have in a community.

We also know we have the lending experience it takes to succeed and stretch the state's dollar as far as possible. **FCAP has exceeded our initial projections of leveraging each of the state's seed dollars 3:1 and instead has successfully leveraged the state's seed funding at a rate of over 5:1 leveraging private and public dollars.** We have drawn down competitive federal funds over the past 3 years from the U.S. Department of Treasury where only 14 states received an award, Ohio being one of them. However, our award amount was diminished with the state's reduced investment last cycle. Healthy Food for Ohio is the only food access related program currently funded through the state's General Revenue Fund, and we know that adequate nutrition is foundational to a community's education and workforce development outcomes, in addition to its general well-being.

Nearly two million Ohioans are currently food insecure,¹ having inconsistent daily access to adequate food. Over 500,000 children live in low-income communities across Ohio that lack supermarket access.² As I am sure this committee has heard multiple times over many days of testimony related to Ohioans' health, Ohio ranks 46th of all 50 states in overall health value.³ Food insecurity is one of

¹ https://www.feedingamerica.org/sites/default/files/research/map-the-meal-gap/2016/overall/OH_AllCounties_CDs_MMG_2016.pdf

² http://thefoodtrust.org/uploads/media_items/oh-report.original.pdf

³ https://www.healthpolicyohio.org/wp-content/uploads/2019/04/2019__HealthValueDashboard.pdf

the metrics used to determine this outcome. The Ohio Grocer's Association and American Diabetes Association are submitting testimony that will speak more specifically to what these numbers mean for the grocery industry and for public health, but it is clear that we have a serious problem that needs addressed. We firmly believe that with continued state support, Healthy Food for Ohio will have an important role in reversing these trends.

Thank you for your time and all the support you have given us in providing funding, connecting us to local stakeholders and operators, attending our groundbreaking and openings, and working with us to address this critical statewide need. I hope you will continue to support the progress being made through the Healthy Food for Ohio program and would be happy to answer any questions.