

California FreshWorks

Critical transitions:



Healthy Diets



Local Loops & Linkages



Stronger Rural Livelihoods

Innovation: Blended finance funds
Geographic focus: North America (California)
\$: \$132.5 million



California FreshWorks provides grants and loans to food enterprises aiming to increase access to affordable healthy food, spur economic development and job creation while ensuring racially and socially equitable access to food in underserved and low-income communities in California.⁷⁰

The fund, managed by Capital Impact Partners (formerly NCB Capital Impact), is organised into three layers: senior debt (\$100million), subordinate debt (\$25 million) and first loss capital (\$7.5 million).⁷¹ The programme provides technical assistance and financing (between \$50,000 and \$3 million, at 5-6 percent) to innovative projects along the food value chain that are not yet investment-ready, but can demonstrate a path to profitability within 12 months. These loans can be used for real estate acquisition, construction and tenant improvements, facility expansion and upgrades, working capital, inventory, or equipment purchase.

Investors in the fund include: five banks and insurance company in the senior tranche, Calvert Foundation, Capital Impact and TCE providing the subordinate debt; JP Morgan Chase Foundation, CDFI fund and TCE providing first-loss cover in the form of grants.⁷²

Investment examples include a \$900,000 (\$100,000 working capital, \$800,000 community facility) loan to Mandela Partners, an Oakland, CA (USA) food co-op to establish their “Ladder Up” fund for supporting suppliers; a \$650,000 (\$450,000 community facility loan, \$200,000 line of credit) investment into Ag Link, a Central Valley, CA (USA) local fresh food supplier to low-income communities; and a \$13 million investment into the Vallarta Supermarket in Fresno which provides healthy, local food to an underserved community in Fresno, CA (USA).

Stakeholders:

Capital Impact Partners; Calvert Foundation; The California Endowment (TCE); JPMorgan Chase Foundation; U.S. Treasury’s Community Development Financial Institutions (CDFI)

Status:

● Operational