

DRAFT MINUTES

Wednesday, September 10, 2020

The meeting of the Equitable Food Oriented Development (EFOD) Stakeholder Work Group convened at approximately 10:00 a.m. on September 10, 2020. The meeting was held by electronic communication means due to the state of emergency issued by Governor Northam as a result of the novel coronavirus (COVID-19). The meeting was held using Cisco Webex Events. Commissioner Jewel Bronaugh called the meeting to order at 10:05 a.m.

WORK GROUP MEMBERS

Jeanette Abi-Nader	Norm Gold
Chelsi Bennett	Patricia Gould-Champ
Shantell Bingham	Twandra Lomax-Brown
Elizabeth Borst	Chad Martin
Curtis Byrd	Chris McDonald, Esq.
Michael Carter	Delores McQuinn
Sarah Collins	Eddie Oliver
Amy Rose Foll	

ABSENT WORK GROUP MEMBERS

Cheryl Ivey Green
Kelly Harris-Braxton, Esq.
Cynthia Newbille, Ph.D.
William M. Stanley, Jr.
Toni Washington
Kent Williamson

STAFF PRESENT

Heidi Hertz, Assistant Secretary of Agriculture and Forestry
Jewel Bronaugh, Commissioner, Virginia Department of Agriculture and Consumer Services (VDACS)
Katherine Coates, Administrative Coordinator, OPRR, VDACS
Jennifer Perkins, Program Manager, Office of Agriculture and Forestry Development, VDACS
Kevin Schmidt, Director, Office of Policy, Planning, and Research, VDACS
Roz Stein, Administrative Assistant, Division of Marketing, VDACS

GUESTS

Leah Fremouw, Director of Community Innovation, Virginia Community Capital
Francesca Costantino, Community Innovation Advisor, Virginia Community Capital

JEWEL BRONAUGH

Commissioner Bronaugh welcomed the attendees and reviewed the agenda for the meeting. Kevin Schmidt explained the public comment process.

Overview of Community Development Financial Institutions (CDFIs) and their selection

Commissioner Bronaugh began the discussion about selecting the CDFI, an entity that will be a close partner in moving the work of this program forward. CDFIs are not-for-profit financial institutions that provide loans, lines of credit, and other financial services; they are licensed by the U.S. Treasury to serve particular target markets, either broad or specific, and often receive public sector or foundation grants to provide loans to projects that traditional banks would consider "high risk."

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VDACS will develop the RFP, and this will be a grant program. Most CDFIs work primarily with loans, so their work on this program may be a little different. There may be the possibility to continue to engage the CDFI for low- or no-interest loans in the future. The CDFI can receive up to 10% of the total program funding of \$1.2M for the work they do, per language in the legislation. There are several ways the CDFI can contribute through consulting, marketing the grant opportunities, grant administration, evaluation and tracking grant performance.

Commissioner Bronaugh requested comments on the criteria for the CDFI, and the group discussed the need for the CDFI to be familiar with EFOD principles and to be minority-owned and/or have BIPOC representation on its Board. Commissioner Bronaugh clarified that the CDFI will work with projects throughout the Commonwealth.

Grant Guideline Review

Commissioner Bronaugh presented the Grant Guidelines for discussion, covering each section.

Program Overview:

The group decided to add “urban” to “rural and suburban communities” in first paragraph of the Program Overview.

Eligibility:

Commissioner Bronaugh clarified that using EFOD principles requires a focus on BIPOC-owned or -led businesses, so this should be considered when reviewing applications. The group had an extensive discussion on the use of the word “must” when considering whether an applicant is BIPOC-owned or -led. Some members expressed concern that excluding potential applicants may become political, and other members believe that having this as a requirement is critical to the focus of the program, strengthening it by targeting communities that have been left behind and increasing their access to VDACS resources. Commissioner Bronaugh clarified that this language came from working directly with EFOD developers when creating the guidelines. After much discussion, the group decided to broaden the language to include projects that serve BIPOC groups and to replace “must” with “shall prioritize,” in an effort to not leave any potential applicants out. The exact language will be developed and used in a bullet that will be moved from the requirement section to the prioritization section.

The group discussed adding “small socially disadvantaged and limited resource farmers” to the final bullet in the list of eligible project types.

Requirements:

The group discussed the 25% minimum Virginia-grown purchase requirement, acknowledging the wish to require 100% of purchases from Virginia’s farmers. This requirement allows funded projects to provide security to our farmers at the same time that they provide security to our food communities by centering the produce supply chain here in Virginia. The program will start with the 25% requirement, which will allow retailers to address challenges with aggregation and sourcing. The program will work with farmers to aggregate their products then increase the percentage requirement of Virginia-grown purchases next year. The program uses the USDA definition of small farm as one which produces between \$1,000 and \$200,000 in sales per year; there are approximately 43,000 small farms in Virginia, most of which raise row crops; about 5,000 to 8,000 small Virginia farms grow produce.

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Prioritization:

The group discussed the meaning of integrating “artistic expression in the business model,” and Commissioner Bronaugh clarified that this refers to when a business incorporates visual images or other arts that reflect the community into the business or the products. An example of this is Market at 25th, which incorporates the culture of the Church Hill community with images of the history of the City inside the store.

The group discussed adding the requirement of selling “healthy” food, acknowledging that the term “healthy” carries a lot of cultural weight. The EFOD principles allow for the community to define the foods it wants for itself rather than have that dictated. At the same time, the legislation for this program intends that the projects address issues of food deserts and access to healthful foods, along with the EFOD principles. The group decided to focus on the specific foods that retailers sell, i.e., fresh meats, seafood, dairy, fruits, vegetables, etc.

The group discussed questions of food pricing and affordability, considering the need to support farmers with fair pricing while also offering food that community members can afford to purchase. Projects that are funded through this program should have relationships and defined plans to develop partnerships that help offset the end-costs of foods to consumers. The group decided to add a bullet stating, “Priority will be given to projects that have a plan for creating partnerships that will help offset costs to the consumer.” The inclusion of requiring the acceptance of SNAP and Fresh Match helps address this.

Application Process:

Commissioner Bronaugh explained that the program will initially operate on an annual grant cycle, with the goal of eventually offering grants on a rolling basis. Projects will be funded for one year with the opportunity to reapply in the second year. As part of the application process, applicants will conduct an EFOD self-assessment; they will also provide a presentation on their project and bring a community member to speak on their behalf.

The group had a lot of debate about the best range of funding to offer applicants, discussing the benefits of providing small amounts to many businesses versus awarding larger amounts to projects that may have greater impacts their communities. The program will want to show indicators of success to the General Assembly (e.g., how many people served, how many jobs created, how much money came back to the Commonwealth through expanding the tax base) in order to show that this group has been a good steward of the funds. Because of the importance of showing early successes, the program may initially want to focus on supporting businesses that are established. The group decided to keep the bottom of the range at \$5,000 and to lower the cap of funding from \$70,000 to \$50,000, in order to make funds available to as many projects as possible.

The group expects that the more moderate range will underscore the intent that this funding be part of a network of support for each project. While there is no explicit match requirement to be eligible, applicants should be leveraging other funding for their projects. The Program Coordinator will work to compile a list of additional resources and partners that can provide “wrap-around” services along with funding; these may include universities, colleges and other entities. VDACS will need to define the technical assistance that we will provide so that applicants know what to expect from us and can accurately budget their needs.

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The group discussed using a different example in the first paragraph of the Application section. The document offers the example of receiving funding to create a business plan; but this service might better be provided by a partner such as a university rather than through this grant funding. The Guidelines should put forth an example that illustrates using these funds as a building block in the actual construction or rehabilitation of a building or the purchase of equipment.

JENNIFER PERKINS

Targeted Areas and Maps:

Ms. Perkins presented a map of the areas that the program targets; the map was compiled from 212 Opportunity Zones and the FEED VA map. Each of the highlighted areas meets one or more of the following criteria: 1) it is a food desert with low access to grocery stores; 2) it is food insecure where 16% or more of the population faces food insecurity issues; and/or 3) 35% or more of the population is at 200% below the federal poverty level. The map as presented shows that the program targets 38 out of 95 counties in Virginia and 23 out of 35 independent cities across the states. The group discussed expanding the eligibility by reducing that 35% rate of population at 200% below the federal poverty line to 25%, which would add 30 counties to this pool, thus targeting approximately 75% of the counties in the state. The group agreed to this reduction, and Ms. Perkins will adjust the targets accordingly.

The group decided to move the targeted areas from the list of requirements to the list of priorities, which would allow for projects from other localities to apply and offer “compelling justification” for their project, as stated in the Eligibility guidelines.

Evaluation Criteria:

The group discussed the need to define the EFOD metrics so that they can be measured, as well as the usefulness of using a rubric when evaluating grant applications. The VFAIF program will also need to be evaluated, and this group will need to consider the criteria to use that will define its success. The CDFI will be part of developing and conducting the evaluations at both levels.

JEWEL BRONAUGH

Program Coordinator

Commissioner Bronaugh Shared a document that will become the position description. The position will perform roles such as grant management, coordination with CDFI to administer the funds, evaluation of applications, technical assistance and outreach, coordination with community partners to provide wrap-around services, marketing and communications for the program. VDACS will need to define the technical assistance and outreach responsibilities. The group discussed the importance of this person having experience partnering with BIPOC and underserved groups.

Commissioner Bronaugh laid out upcoming tasks:

- VDACS will work on revisions of the Guidelines and distribute to work group members with an opportunity to respond.
- VDACS will work with VDACS Finance to create the RFP and hire the CDFI. (end of September)
- VDACS will work with HR to develop job posting and advertise it; group members should feel free to recruit qualified applicants. (late September or early October)

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- VDACS will open the grant opportunity once the CDFI and Coordinator are in place (end of Oct or early Nov); will distribute to members to disseminate the opportunity.
- VDACS will reach out to work group and subcommittee members in spring about serving on the grant review committee.

VDACS hopes to make awards by the end of spring and supply reports to the General Assembly in 2022.

The first report on VFAIF program will be due in December to report to upcoming General Assembly Session in 2021. The goal will be to report that the program is up and running and the grant opportunity is currently available.

NEW BUSINESS

No new business was introduced.

PUBLIC COMMENT

No public comment.

FUTURE BOARD MEETINGS

The next meeting will take place on November 19, 2020, 10:00 – 12:30 pm. This meeting will also be open to public comment.

ADJOURNMENT

There being no further business, the Work Group adjourned at approximately 12:15 p.m.

Respectfully submitted,

Jewel H. Bronaugh, Ph.D.
Commissioner