

# TRENDS *in Development Finance*



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## State Small Business Credit Initiative (SSBCI) Update

The State Small Business Credit Initiative (SSBCI), part of the Small Business Jobs Act of 2010, was funded with \$1.5 billion to bolster

state programs supporting small business lending. States may use SSBCI funds to support programs that leverage private lending to help finance creditworthy small businesses. Permissible programs include Capital Access Programs, loan guarantee programs, and venture capital funds. Many

exciting developments have transpired over the last few months:

- The State of Arkansas has successfully deployed the first two tranches of SSBCI funding, creating over 250 jobs and retaining over 30. The state has been approved to access the third tranche of funding.
- Utah has allocated \$4 million towards seed or early stage venture funds to invest in companies throughout the state. To date, \$2.7 million of this allocation has been invested in select funds as Utah prepares to draw down its second tranche of funding.
- Rhode Island's Slater Technology Fund has leveraged nearly \$1.9 million in SSBCI funds towards equity investments in Rhode Island-based technology firms.
- New Mexico has launched a tour of their Collateral Support Loan Participation

Program, raising awareness throughout the state. The New Mexico Economic Development Association has identified training as a barrier to the adoption of the program, as lenders are unaware of how Collateral Support can work with existing programs.

CDFA continues to support states through the SSBCI Coalition, offering webcasts, resources, and technical assistance. As part of this ongoing effort, CDFA created the CDFA SSBCI Webinar Series, a dedicated four-part educational offering specifically addressing this innovative program. The CDFA SSBCI Portal provides an accessible interface for program information and materials in the CDFA Online Resource Database.

## Local Food Systems Finance

Food trucks, grow/shop local movements, food deserts and food islands have become major economic development themes throughout the country. CDFA has been monitoring the trends in food systems finance for the past eighteen months and has identified several exciting opportunities and outcomes.

- Communities throughout the United States are considering novel approaches to the eradication of food deserts with limited access to healthy food options. The City of Atlanta recently pledged to use its New Markets Tax Credit allocation toward the financing of healthy food access, and the Village of Robbins, IL is planning a TIF to support a full-service supermarket in an impoverished neighborhood.
- The Slow Money National Gathering took place in late April to discuss the challenges of financing food systems and the growing diversity of financing mechanisms, such as Social Impact Bonds, independent niche industry lenders, crowdfunding, and CDFI's.

- RSF Social Finance, a nonprofit financial institution which provides capital to entities within targeted social industries, recently announced a loan to Regional Access Inc., a regionally sourced wholesale food distributor based in Ithaca, NY. The loan will enable an expansion of local, healthy food availability throughout the State of New York.
- Food trucks continue to attract interest from aspiring entrepreneurs looking to enter the food service industry. Several nonprofit organizations have taken advantage of this trend and now offer services geared toward helping prospective food truck owners develop a business plan and obtain financing for their concept. SCORE of San Antonio provides the community with start-up counseling, business plan assistance, and connections to appropriate small business lenders.

Opportunities to support food systems are only now emerging in a cohesive manner, and as these trends grow local communities will need education and

resources to implement this exciting form of finance. But how do you help finance the local farmers, grocers, and businesses behind this important movement? Local food sourcing, vending, and food aggregation have been some of our industry's toughest challenges, but new financing mechanisms and adaptations of existing tools have begun to emerge. Join CDFA this August 7th as we explore how to finance local food systems with experts from around the nation during a special Pre-Summit Workshop at the National Development Finance Summit. Learn more and register online at [www.cdfa.net](http://www.cdfa.net).