

**HEALTHY RETAIL
AND COMMERCE FUND**
supporting small businesses
that build healthy communities

Featured Partner

STOP AND COMPARE

December 2021

The Healthy Retail & Commerce Fund (HRCF) provides financing for health-promoting businesses, such as community grocery stores that sell healthy food at affordable prices or nonprofits that provide services to address health disparities in low- and moderate-income neighborhoods throughout New England. This unique Fund, created through a partnership of Conservation Law Foundation and Massachusetts Housing Investment Corporation, leverages financing from hospitals, health plans, and philanthropy to provide loans to retail and commercial enterprises that can positively impact community health.

This publication is made possible with support from
The Kresge Foundation.



Stop and Compare Lynn Marketplace

- **Stop and Compare is a Latinx, family-owned-and-operated supermarket business, with stores in Chelsea and Lynn, that offers high quality and diverse foods at affordable prices and is known for providing a strong cultural connection for Latinx customers.**
- **HRCF has made a \$1.2 million loan to Stop and Compare, with support from The Kresge Foundation and Tufts Health Plan Foundation.**
- **The HRCF loan helped Stop and Compare open their third and new flagship store at the Lynn Marketplace on State Street in Lynn, Massachusetts.**



Organization Description

Founded in 1996, Stop and Compare is a successful, Latinx, family-owned and operated supermarket business that emphasizes serving Hispanic households, with stores in Chelsea and Lynn. Their mission is “Diverse foods for diverse communities” and they employ workers of 12 different nationalities. Stop and Compare offers high quality and diverse products at affordable prices and is known for providing a strong cultural connection for diverse Latinx customers. As an employer, the company hires its workforce from the local community, providing upwardly mobile career paths for entry-level workers. In 2015, Northeastern University Family Business Center gave Stop and Compare its Best Family Business of the Year Award.

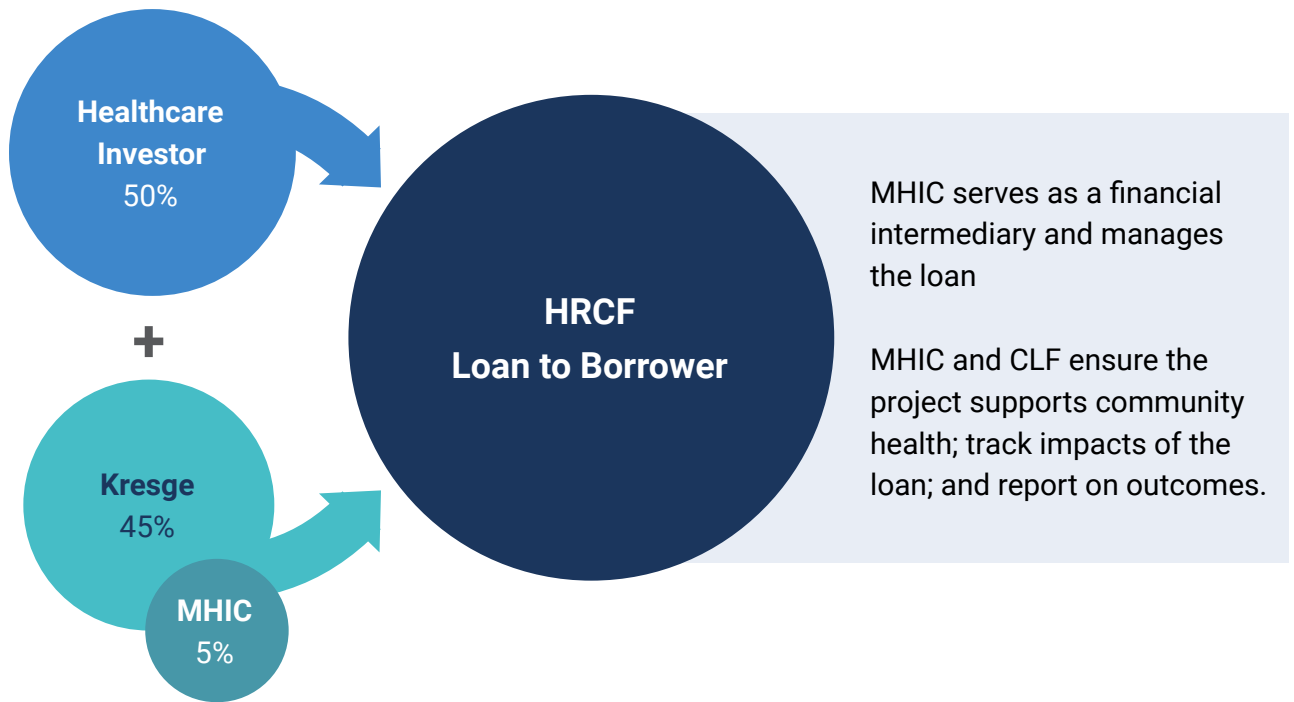
Project Description and Loan Uses

Stop and Compare has expanded to downtown Lynn, Massachusetts, with a third full-service supermarket that is now the flagship store. The new location at the Lynn Marketplace on State Street in Lynn is a 23,400 square-foot store, which is larger than the company’s first 6,000 square-foot Chelsea store and its second 12,000 square-foot North Lynn store. The \$1.2 million loan supported the fit out (building out an interior commercial space with floors, ceilings, partitions, and furnishings) and equipment needs of the new store, contributing a significant portion of the total \$3.6 million fit out cost. The rest of the financing was provided by the Massachusetts Food Trust, managed by the Local Enterprise Assistance Fund, and from owners’ equity. This third store enables Stop and Compare to expand its business to a central walkable location in Lynn, which currently has no grocery store in the downtown area. The new flagship store will increase the availability of affordable, healthy, culturally relevant food in this densely populated, low-income neighborhood of Lynn. The larger footprint enables the store to expand its offerings of produce, fresh meat and seafood and other perishables; introduce new products like prepared foods; and broaden its product selection across all major market segments.

Loan Terms

HRCF Threshold Criteria

- Loan amount of \$500,000 to \$4.0 million
- Accessibility via public transit (less than ½ mile)
- Serving economically distressed communities
- Mission to provide quality jobs and health-promoting goods and services such as fresh, healthy foods that are accessible and affordable to low- and moderate-income populations
- Eligible uses of funds include acquisition, construction/fit-out, equipment purchase, soft costs, and reserves



Loan Amount: \$1,200,000

Borrower: Stop and Compare Lynn Marketplace

Lenders: The Kresge Foundation, Tufts Health Plan Foundation and Massachusetts Housing Investment Corporation

Financial Intermediary/Fund Manager: Massachusetts Housing Investment Corporation

Impact Screening and Reporting: Conservation Law Foundation






Loan Purpose: Renovation and equipment purchase at new grocery store location

Term: 7 years

Interest Rate: 3%

Community, Health and Environmental Impacts

The fund sponsors screened this loan for multiple community, health and environmental impacts in the underwriting process, and the team continues to monitor achievement of these outcome goals. Multiple impacts include improved healthy food access, increased employment and employee benefits, support for a business owned by a person of color, and other community benefits.

Impact Highlights	Metrics	Projected
 Healthy Food Access	Percent of revenue from SNAP customers	20-25%
 Quality Jobs	Number of full-time jobs with Stop and Compare	40-45
	Number of part-time jobs with new Lynn Marketplace store	25-30
 Employee Benefits	Healthcare	50% coverage
	Company match for employee 401(k) contributions	4% match
	Financial literacy training	100% coverage
 Business Owned by a Person of Color	Loan supports second-generation business owned by a person of color	
 Local Community	Increases walkability; offers free ride home	
	Sources products from local vendors, many of whom are people of color	50+ vendors
		Open 7 days/week, 12 hours/day



Healthy Food Access

The new Stop and Compare provides the Lynn community with improved access to affordable, high-quality, healthy food. The management team's practice is to maintain low prices on core items, and they estimate that 20- 25% of sales are to customers using Supplemental Nutrition Assistance Program (SNAP) benefits. Further, in 2022, Stop and Compare plans to begin accepting Women, Infants, and Children (WIC) program benefits and is also considering the addition of a healthy food prescription program in its stores.



Quality Jobs

The Stop and Compare management team expects to hire 40-45 new full-time employees and 25-30 part-time employees at the new Lynn store. Entry-level wages will start at \$13.50 for cashiers and \$14.50 to \$16.50 for entry-level department staff. Employee benefits provided include 50% of health insurance paid by Stop and Compare for full-time employees, a 401K – including a 4% company match with a 5% employee contribution, and a 10% employee discount for all employees. Additionally, it is management's practice to promote from within, providing entry-level staff and other employees opportunities for upward mobility. For example, the general manager for the new Lynn store started as cashier 12 years ago. Finally, the company offers an English Language Learners Program, financial literacy, and computer training courses to its employees through a grant from the MA Department of Labor. In addition, over 90% of Stop and Compare's workforce lives in the communities they serve. Over 50% of Stop and Compare's workforce is made up of women, and the company employs workers of 12 different nationalities.



Local Community

The new Stop and Compare increases neighborhood walkability by adding a full-service grocery store that is responsive to the Lynn community's needs within a densely populated neighborhood. A public high school, a YMCA, a mix of affordable housing, housing for older people and new market-rate housing under construction are all nearby. Additionally, Stop and Compare sources products from more than 50 vendors, many of whom are owned and operated by people of color. Stop and Compare's management team also recognizes that its customers do their shopping at different times depending on their schedules. So, to meet the diverse needs of neighborhood residents, management is intentional about keeping stores open 7 days per week, for at least 12 hours per day. Stop and Compare also plans to offer neighborhood residents a free ride home from the new store.



Benefits to Investors

There is extraordinary opportunity to leverage and align impact investment capital for retail and commercial spaces that positively affect neighborhood health and well-being in historically disinvested communities. The Healthy Retail & Commerce Fund (HRCF):

- demonstrates how to address financing needs and barriers for businesses in low- and moderate-income communities;
- supports positive community health outcomes; and
- provides a model that can be replicated in a variety of locations and markets.

Not only does HRCF provide opportunities to invest in social determinants of health, but the investment structure also provides a model for how to scale health-promoting community investments through experienced third-parties. Fund sponsors such as CLF and MHIC can aggregate loan opportunities; provide rigorous underwriting, monitoring and reporting for each loan; and manage the loan portfolio. By partnering with CLF and MHIC, impact investors can achieve greater impact at scale.

One of the impact goals of HRCF is to attract more private-sector capital to invest in community development, including critical building blocks for healthy neighborhoods like healthy retail and commerce. For this HRCF loan to Stop and Compare,

Tufts Health Plan Foundation provided a \$600,000 loan to match loans from The Kresge Foundation and the Massachusetts Housing Investment Corporation for a combined total loan of \$1.2 million to support a third new store for the business. This loan is the first mission-related investment ever provided by this leading health plan foundation.

For Tufts Health Plan Foundation, the financial return is 1% per year over the 7-year loan term, with principal to be repaid in full and potentially redeployed into additional community investments. But the Foundation wasn't motivated by financial returns. Instead, it was inspired to invest in healthy food access, quality job creation, and the health and well-being of the Lynn community.

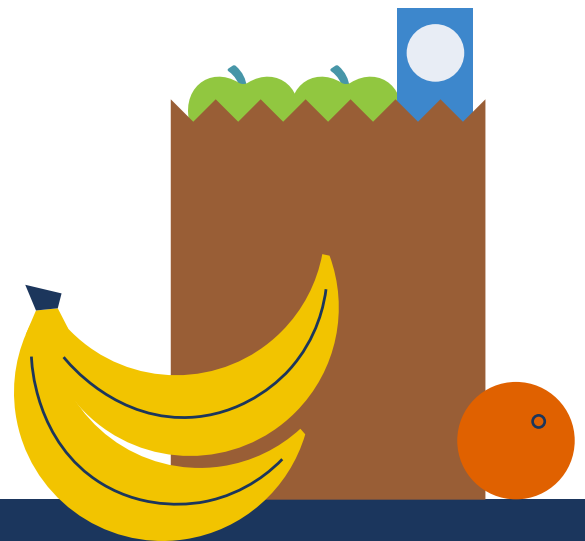
“ This is a new and different approach for us, in line with our belief that philanthropy should take risks that align with a north star, a value that leads to a better world. No one should experience nutrition insecurity, hunger, or lack access to affordable, healthy food. It is important to partner with organizations with a shared commitment to community health and resilience.”

Nora Moreno Cargie

*President of Tufts Health Plan Foundation and
Harvard Pilgrim Health Care Foundation,
Vice President for Corporate Citizenship
at Point32Health*

Conservation Law Foundation (CLF) protects New England's environment for the benefit of all people. CLF uses the law, science, and markets to create solutions that preserve our natural resources, build healthy communities, and sustain a vibrant economy. For over fifty years, CLF has worked on issues affecting the health and well-being of New Englanders. From the cleanup of Boston Harbor to pioneering laws to prevent childhood lead poisoning, CLF has been at the forefront of efforts to create sustainable, long-term solutions to environmental challenges. CLF is also co-sponsor of innovative impact investment funds that advance our mission, including the Healthy Neighborhoods Equity Fund (HNEF) and the Healthy Retail and Commerce Fund (HRCF). We bring deep expertise in impact investing, as well as impact measurement, including the development and implementation of HealthScore—a screening tool that assesses the community, environmental, and health benefits of potential HNEF investments. CLF's impact investing and measurement work is grounded in scientific research, including our landmark Healthy Neighborhoods Study.

Massachusetts Housing Investment Corporation (MHIC) is an innovative private financier of affordable housing and community development, providing financing that would not otherwise be available, and extending the impact of that financing to ensure the broadest possible benefit. MHIC has raised over \$3.1 billion, much from repeat investors, and has \$1.2 billion of assets currently under management. Over 31 years, MHIC has financed 636 developments, representing more than 24,500 homes and 6.2 million sq. ft. of commercial space. MHIC is a deep value investor, targeting its financing with community partners on transformative investments. MHIC is co-sponsor and fund manager for HNEF and HRCF.



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