



DEPARTMENT OF THE TREASURY  
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND  
601 THIRTEENTH STREET, NW, SUITE 200 SOUTH  
WASHINGTON, DC 20005

Supporting Statement  
Community Development Financial Institutions Fund  
Healthy Food Financing Initiative – Financial Assistance Program Application  
OMB Approval Number 1559-0040

A. Justification

1. Circumstances necessitating collection of information

Pursuant to the Community Development Banking and Financial Institutions Act of 1994, as amended (the Act; 12 USC 4701 et seq.), the Community Development Financial Institutions Program (Healthy Food Financing Initiative – Financial Assistance) provides financial assistance to selected applicants, Community Development Financial Institutions (CDFIs), in order to enhance their ability to make loans and investments and provide services for the benefit of designated investment areas and targeted populations. Form CDFI 0001 (attached) will be used by applicants to apply for this assistance. The questions that the supplemental questionnaire contains, and the information generated thereby, will enable the Fund to evaluate applicants' activities and determine the extent of applicants' eligibility for a CDFI HFFI-FA award. The information collected will be used to select awardees, based on a merit-based selection process. The requested information is required by the CDFI Program Regulations (12 CFR Part 1805) and respective Notice of Funds Availability.

2. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of a Healthy Food Financing Initiative – Financial Assistance Program Supplemental Questionnaire. Applicants must complete and upload the Questionnaire through their myCDFIFund Account – the CDFI Fund's database maintained for every applicant. The CDFI Fund only requires one application material, the HFFI-FA Supplemental Questionnaire (Word document) since the applicant's entire business operations were evaluated when the entity applied for the CDFI Fund's Financial Assistance Program. The CDFI Fund uses the data collected to select eligible applicants that are the most highly qualified and to determine the applicable award amounts.

3. Use of Information Technology

Only electronic applications are accepted unless the applicant receives advance permission from the CDFI Fund to submit otherwise. Applicants use a Word document to complete the Questionnaire.

4. Efforts to identify duplication

The CDFI Fund requests information from applicants which is likely to be readily available and in a convenient form.

5. Impact on small entities

This application is not expected to have significant impact on small entities.

6. Consequences of less frequent collection and obstacles to burden reduction

The CDFI Fund cannot meet its statutory requirement to make funding decisions based on data received from applicants without the Supplemental Questionnaire. Elements specified in the Act and the CDFI Program Regulations limit the extent to which the burden can be reduced.

7. Circumstances requiring special information collection

The CDFI Fund requires applicants to submit information on their respective Target Market through the Community Investment Mapping System (CIMS). This system allows the applicant to enter decennial census data, which helps determine if the communities they serve or intend to serve are qualified census tracts under the CDFI Program. This effort was in place with prior applications and does not change with this application.

8. Solicitation of comments on information collection

In accordance with the Paperwork Reduction Act of 1995, the Treasury Department published a notice in the Federal Register regarding the CDFI Program Healthy Food Financing Initiative – Financial Assistance (HFFI-FA) Supplemental Questionnaire on August 4, 2011, Volume 76, and page 47298. Please see Attachment A for the comments that were received and an explanation as to how they will be addressed in a revised application, which will be submitted during FY 2012.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

The CDFI Fund is subject to all applicable Federal law with respect to confidentiality of information supplied in the application process. The CDFI Fund provides assurances of confidentiality to applicants, to the extent permitted by law.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in the application form.

12. Estimate of the hour burden of information collection.

*Application for the Healthy Food Financing Initiative - Financial Assistance Program (Form 0001):* 20 respondents x 1 response annually x 30 hours per respondent = 600 hours. (20 not for profit respondents)

The hour estimate is based on the information collected from the fiscal year 2011 HFFI-FA Component applicants on the estimated time to complete the application. The median estimate was 30 hours. The CDFI Fund is using the lower number as we continue to make improvements and simplifications to the application.

13. Estimate of total annual cost burden to respondents

It is not expected that this information collection will have a cost burden to respondents other than the hour burden described in item number 12, above. No purchases of equipment or services will need to be made by respondents for the sole purpose of completing the application.

14. Estimate of annualized cost to the Government

The primary costs to the Government are the review of the applications.

15. Any program changes or adjustments

Funding has been appropriated for this initiative; the CDFI Fund requests to reinstate this information collection at this time with changes. The HFFI-FA Supplemental Questionnaire will only be sent to FA applicants selected for a FA award. . This will reduce the burden since only a subset of the overall FA applicant pool will receive the Questionnaire. No additional program changes or adjustments will be made.

16. Plans for information tabulation and publication

The information collected through this application form will not be published.

17. Reasons for not displaying expiration date of OMB approval

The CDFI Fund intends to display the expiration date of the OMB approval on the application form.

18. Explanation of exceptions to certification statement

Not applicable.

***Collections of Information Employing Statistical Methods***

Not applicable.



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# **Attachment A**

## **Comments from the Public**

**CDFI Program – OMB PRA Number 1559-0040**

**Comments from the Public for PRA Renewal**

<b>Responder</b>	<b>Comment:</b>	<b>Notes:</b>
OFN	Page Limits	<p><b>Responder Explanation:</b> The HFFI-FA Supplemental Questionnaire was relatively simple and additional tables or graphs are not required. The page limits are appropriate.</p> <p><b>CDFI Fund Response:</b> Comment is being taken into consideration. No additional burden.</p>
OFN	Transparency	<p><b>Responder Explanation:</b> The CDFI Fund should provide more transparency about the process and criteria it uses to determine which CDFIs are eligible to compete for HFFI-FA funding.</p> <p><b>CDFI Fund Response:</b> The FY 2012 CDFI Program NOFA explicitly states that only CDFI or NACA FA applicants selected to receive a FA award will be eligible to compete for a HFFI-FA award. In addition, the NOFA states these applicants will be scored and rated separately based on their HFFI-FA Supplemental Questionnaire response. The CDFI Fund requires HFFI-FA applicants to have already received a FA award since that application underwrites the institution while the HFFI-FA Supplemental Questionnaire evaluates their specific healthy food products. Both are needed to ensure that the potential awardee has the capacity and demand to be successful. No extra burden is anticipated.</p>
OFN	Food Desert Definition	<p><b>Responder Explanation:</b> The USDA food desert definition limits geographic scope considerably and is not equally applicable among Target Markets. OFN suggests the applicant be allowed to use other indicators that can supersede USDA definitions.</p> <p><b>CDFI Fund Response:</b> HFFI-FA applicants are allowed to use local indicators to describe the food access needs in their Target Markets. Applicants can use the USDA food desert dataset or other applicable data sources to document need. No additional burden.</p>
OFN	HFFI-FA Award Uses	<p><b>Responder Explanation:</b> The current emphasis on using HFFI-FA awards for large, full scale supermarkets or retail outlets potentially overshadows the importance of other sources of healthy food. In addition, the focus on retail does not allow flexibility needed for organizations serving rural areas.</p>

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		<p><b>CDFI Fund Response:</b> HFFI-FA awardees must demonstrate that an amount of funding <i>equivalent</i> to 75% of the HFFI-FA award amount is invested in retail projects. This means that an amount of funding of up to 25% of the equivalent of the HFFI-FA award can be directed towards healthy food projects located outside of food deserts and/or to non-retail healthy food projects (e.g. producers, distributors, etc.). In addition, all HFFI-FA awardees are also FA awardees, and these funds can be used for any type of healthy food lending. No additional burden.</p>
OFN	Healthy Foods Definition	<p><b>Responder Explanation:</b> The current definition of “healthy foods” is appropriate and the responder supports the Fund’s allowance of other indicators.</p> <p><b>CDFI Fund Response.</b> No additional burden.</p>
CEI	Food Desert Definition	<p><b>Responder Explanation:</b> The definition of food deserts does not sufficiently encompass the challenges of access to healthy food in rural America. Experience shows that the focus on large supermarkets and criteria based on distances traveled are not consistent with how rural people get their food and sidesteps the graver challenge of affordability. In addition, many rural areas require interventions around food production, distribution, and non-retail projects.</p> <p><b>CDFI Fund Response:</b> HFFI-FA awardees must demonstrate that an amount of funding <i>equivalent</i> to 75% of the HFFI-FA award amount is invested in retail projects. This means that an amount of funding of up to 25% of the equivalent of the HFFI-FA award can be directed towards healthy food projects located outside of food deserts and/or to non-retail healthy food projects (e.g. producers, distributors, etc.). In addition, all HFFI-FA awardees are also FA awardees, and these funds can be used for any type of healthy food lending. No additional burden.</p>

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Responder:	Comment:	Notes:
CEI	Healthy Foods Definition	<p><b>Responder Explanation:</b> The definition for healthy foods is acceptable but responder suggests that the term explicitly include fish and seafood.</p> <p><b>CDFI Fund Response:</b> The healthy food definition is based on the 2010 Dietary Guidelines for Americans. This</p>

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		comment will be considered. No additional burden is expected.
CEI	Additional Indicators to Describe the Target Market	<p><b>Responder Explanation:</b> The Supplemental Questionnaire allows for a wide range of interventions, including other indicators of need for healthy food finance interventions. The responder states this proves sufficient flexibility to describe Target Market needs.</p> <p><b>CDFI Fund Response:</b> No additional burden.</p>
CEI	Individualized Applications	<p><b>Responder Explanation:</b> Responder does not believe the CDFI Fund needs to create individualized applications for different types of CDFIs.</p> <p><b>CDFI Fund Response:</b> No additional burden.</p>
CEI	Page Limits	<p><b>Responder Explanation:</b> The page limits are appropriate although another five pages would have helped make a stronger case. The simplicity of the questionnaire is viewed very favorably.</p> <p><b>CDFI Fund Response:</b> Comment being taken into consideration although this would have the potential to increase burden for the applicant.</p>
CEI	Healthy Foods System	<p><b>Responder Explanation:</b> The HFFI award should focus on broader economic development including the support of development of a healthy food system, which requires an emphasis on farming, distribution networks, production and affordability of local foods.</p> <p><b>CDFI Fund Response:</b> HFFI-FA awardees must demonstrate that an amount of funding <i>equivalent</i> to 75% of the HFFI-FA award amount is invested in retail projects. This means that an amount of funding of up to 25% of the equivalent of the HFFI-FA award can be directed towards healthy food projects located outside of food deserts and/or to non-retail healthy food projects (e.g. producers, distributors, etc.). In addition, all HFFI-FA awardees are also FA awardees, and these funds can be used for any type of healthy food lending. No additional burden.</p>
The Reinvestment Fund, Policy Link & The Food Trust	Food Desert Definition	<p><b>Responder Explanation:</b> The CDFI Fund should replace the USDA Food Desert Locator by requesting applicants to demonstrate that HFFI-FA assisted projects will be located in, or serve, low-income communities that have limited access to supermarkets and grocery stores. The CDFI should trust applicants to make their case using appropriate</p>

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		<p>data, indicators and methods. The lack of consensus among researchers on the definition of food deserts and the measures needed to identify them is worrisome.</p> <p><b>CDFI Fund Response:</b> HFFI-FA applicants are allowed to use local indicators to describe the food access needs in their Target Markets. Applicants can use the USDA food desert dataset or other applicable data sources to document need. No additional burden.</p>
<p>The Reinvestment Fund, Policy Link &amp; The Food Trust</p>	<p>Healthy Foods Definition</p>	<p><b>Responder Explanation:</b> There is no consensus on what constitutes “healthy foods” since there a variety of external factors that impact the relative healthiness of food. Responder recommends the CDFI Fund take into account the following considerations when determining if a HFFI-FA assisted project will improve access to healthy foods: 1) Will the project offer a variety of perishable and/or staple foods?; 2) Will the project sell food for home preparation and consumption?; 3) Will the project accept SNAP and WIC benefits?; and 4) Will the project offer for sale at least three different varieties of food in each of the four staple food groups with perishable foods in at least two categories, on a daily basis; or have at least 50 percent of the total sales from the sale of eligible staple food?</p> <p><b>CDFI Fund Response:</b> This comment will be considered. No additional burden is expected.</p>
<p>The Reinvestment Fund, Policy Link &amp; The Food Trust</p>	<p>Additional Indicators to Describe the Needs of the Target Market</p>	<p><b>Responder Explanation:</b> Responder supports the use of additional indicators to describe the needs of the Target Market.</p> <p><b>CDFI Fund Response:</b> No additional burden.</p>
<p>The Reinvestment Fund, Policy Link &amp; The Food Trust</p>	<p>Individualized Applications</p>	<p><b>Responder Explanation:</b> Responder does not think that the CDFI Fund needs to create individualized applications for different types of CDFIs.</p> <p><b>CDFI Fund Response:</b> No additional burden.</p>
<p>The Reinvestment Fund, Policy Link &amp; The Food Trust</p>	<p>Page Limits</p>	<p><b>Responder Explanation:</b> The page limits are appropriate.</p> <p><b>CDFI Fund Response:</b> No additional burden</p>