



Vicente's Supermarket

BROCKTON, MASSACHUSETTS

For 20 years, Manuel Vicente Barbosa owned and operated a specialty food store in Brockton, Massachusetts, a small city south of Boston.

In 2015, the family opened a second, 33,000-square-foot modern, full-service supermarket. The new store would not have been possible without the assistance of the Healthy Food Financing Initiative (HFFI).

Vicente's Supermarket caters to Brockton's diverse community which includes a sizable Cape Verdean, Latino and Caribbean population. The new store is in a low-income neighborhood where the poverty rate is 25%. In the adjacent census tract, 47% of the residents live in poverty. According to the USDA, 15 of 21 census tracts in Brockton are Low-Income, Low-Access tracts, and the Center for Disease Control reports that 28.6% of the population is considered obese.

Brockton is also a medically-underserved community, so development plans for the shopping plaza included a new, 13,600-square-foot, state-of-art, health center for Brockton Neighborhood Health Center (BNHC), a well-respected, nonprofit, federally-qualified health center (FQHC). BNHC treats all patients regardless of ability to pay or insurance status. The new health center houses 27 exam rooms.



"We look at ourselves as being leaders in the community, not only with the products and services we provide, but for everyday quality of life."

— Jason Barbosa
Owner, Vicente's Supermarket

In addition to locating next to each other, BNHC and Vicente's have created a working partnership to improve the health of Brockton residents. The new clinic has a full-time nutritionist and teaching kitchen. The nutritionist teaches patients how to shop for healthier foods and is developing new recipes for Vicente's prepared foods department, a significant part of the business. The new recipes use healthier ingredients in favorite ethnic dishes. The store is also employing retail merchandising strategies based on current research to promote the purchase of healthier food items.

A Public-Private Partnership

The first Vicente's store opened in the mid-1990s and grew in its original location to a 17,000-square-foot store. The family was eager to open a second location and set their sights on acquiring a blighted five-acre shopping plaza which had sat vacant since 2007. In 2013, they approached Boston Community Capital (BCC), a community development financial institution (CDFI) for help with their plans

It cost \$14.5 million to acquire the site and renovate the grocery store. Given the capital-intensive nature of the project, BCC reached out to peer CDFIs Reinvestment Fund and Local Initiatives Support Corporation (LISC) to partner on the project. Together, the three CDFIs contributed \$3.4 million in federal Healthy Food Financing Initiative (HFFI) loans to finance the shopping plaza's acquisition and grocery store's renovations. The U.S. Department of Health and Human Services Office of Community Services also supported the project, providing \$800,000 in HFFI Community Economic Development Program funds.

Benefits of the HFFI resources included a lower interest rate, lower equity requirement and a higher loan-to-value which permitted the borrower to fund a start-up operating reserve.

Additionally, JPMorgan Chase and the Massachusetts Housing Investment Corporation provided contributed New Market Tax Credits (NMTC) with JP Morgan Chase serving as the equity investor. In a separate transaction, LISC used its Healthy Futures Fund, supported by The Kresge Foundation and Morgan Stanley, to provide 100% financing to BNHC for leasehold improvements.

Due to the complexity of the transaction, the project needed HFFI support and technical assistance. While the family was eager to open a second location, they had no experience with the multifaceted financing that would be required to realize their dreams. The CDFI partners supported

Vicente's Supermarket

Financing Summary:

- Site and acquisition renovations: \$14.5 million (HFFI contribution: \$4.2 million)

Community Benefits and Impacts:

- Redevelopment of blighted five-acre shopping plaza
- 100 permanent FTE jobs
- New 33,000 sq. ft. grocery store
- Community-oriented nutrition education programs
- In 2016, BNHC had 81 different groups enrolled in cooking classes tailored for diabetes patients. They found 84% of their patients improved their blood sugar.

Financing Partners:

- Boston Community Capital
- JPMorgan Chase
- Local Initiatives Support Corporation (LISC)
- MA Housing Investment Corporation
- Reinvestment Fund

Vicente family members throughout the process, and HFFI provided the flexible financing that help turn the family's vision into reality.

Whether it's a new grocery store, a small change in a recipe served at Vicente's or the ability for the BNHC nutritionist to help Vicente's customers to choose healthier foods in the grocery store, Brockton's residents are now experiencing an improved quality of life.



Contact Information:

Jason Barbosa, *Owner*, Vicente's Supermarket
jbarbosa@vicentestropical.com