

Increase multi-year, flexible funding to support operations and innovation

NFF examined Los Angeles's food access ecosystem to understand the connectivity, financial dynamics, and funding needs of movements and organizations that provide fresh, healthy food for Angelenos. Our findings are organized into an overview of the landscape and a series of four specific recommendations for funders. The following case study explores the importance of multi-year, flexible funding.

“General operating support is the most effective in helping us impact communities.”

Kyle Tsukahira, Co-Director, Asian Pacific Islander Forward Movement

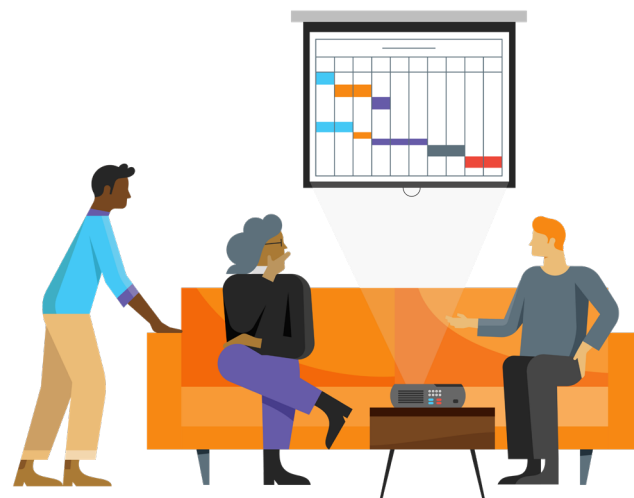
In response to the surge in demand for healthy, affordable food during the pandemic, the **Los Angeles Food Policy Council** (LAFPC) found itself adapting its programs to meet the evolving needs of its partner organizations. In 2021, LAFPC initiated Farm Fresh LA – a program that improves access to fresh produce for CalFresh shoppers by making bundles of vegetables available from their local corner stores for just \$1 in CalFresh vouchers. As the backbone organization to a network of more than 400 organizations and agencies working for healthy, sustainable, and fair food in Los Angeles, LAFPC brokered relationships between local farmers, nonprofits that aggregate and package the produce, and local corner stores serving as distribution sites. From April 2021 through February 2022, Farm Fresh LA distributed more than 4,000 bundles or 20,000 pounds of produce, generating more than \$258,000 in local economy dollars. In addition to sparking new partnerships and strengthening existing ones along the food access supply chain, participating in the Farm Fresh LA program enabled store owners to make produce accessible to CalFresh shoppers in a way that covers the full costs of their time and effort.



Like many food distribution programs and organizations, Farm Fresh LA has primarily been grant funded, with reporting and fund matching requirements that necessitate specialized nonprofit sector knowledge and skills that not all participating organizations had access to. In order to build out store owners' capacity for the provision of more fresh foods in their community without compounding demands on their time, LAFPC not only provided readiness training to store owners, but also assumed responsibilities like applying for and reporting on grants, stewarding matching sponsorships, pricing out bundles, and distributing funds. To sustain the program longer term, LAFPC and partner organizations need someone to continue serving in this coordinator role, managing the administrative and reporting requirements of the grant while also securing sufficient matching funds to cover the costs of the program.

Several other organizations interviewed by NFF faced similar funding dynamics. Organizations shared that single-year, highly restricted grants continue to make up the majority of food access funding. While flexibility and adaptability are most critical to meet continued demand, organizations have felt both time and cash constrained.

Organizations cited challenges managing redundant, paper-heavy reporting requirements, all while attempting to focus on delivering services to their community members in a responsive way. An organization addressing both houselessness and food insecurity reported that all their food distribution work was funded by single-year homeless services contracts related to food security. This highly restrictive funding was insufficient to cover the cost of delivering services and led the organization to seek out additional grant funding.



The organization also experienced frequent and months-long delays in repayment for services rendered, which forced the agency to urgently seek out more flexible cash for working capital just to keep operations afloat. Unfortunately, the dynamic is not uncommon. As Lisa Hoffmaster, with Food Finders, a food recovery organization based in Long Beach, shared “You have to have the money upfront to cover [the cost of services], and then the funds while you wait for the reimbursement. The best money you can get is general operating money.”

Organizations uniformly noted that multi-year, general operating support was the most effective way to cover gaps left by restricted grants and reimbursement-based government funding and avoid having to ask themselves if they could continue delivering services. They also saw unrestricted, multi-year funding as a way to guarantee they had more purchasing power and agency, to maintain operations at scale, and to adequately cover increasing operating costs. Over the last several years, organizations not only expanded and nimbly adapted services, but they also saw related costs increase. Several leaders pointed to rising inflation and the uptick in transportation costs, most notably gas, as a major expense that restricted grants did not sufficiently cover. And like most nonprofits during the pandemic, organizations encountered supply chain shortages and fluctuating prices. Interviewees shared that an influx of flexible emergency

funding early in the pandemic helped them meet demand while also lessening their reliance on in-kind and food recovery. This gave them more time to continue cultivating trust in the community, to strengthen partnerships that supported more effective strategizing around distribution, and to source more culturally responsive food.

Asian Pacific Islander Forward Movement (**APIFM**), is dedicated to cultivating healthy, long-lasting, and vibrant Asian and Pacific Islander (API) communities in Los Angeles through community-centered engagement, education, and advocacy. As an aggregator of produce in the Farm Fresh LA program, through their own Food Roots program and partnerships with CalFresh Healthy Living combined, APIFM sourced and distributed more than 200K pounds of food in 2021, in the process supporting both local growers and the API community. For all its food distribution efforts, APIFM committed to centering the specific needs of their clients by providing culturally relevant food items, maximizing the benefit to their community while also minimizing waste. This nimble and responsive work, though, couldn't necessarily be sustained without some degree of flexible funding. With a majority of its funding restricted in nature, APIFM is now tasked with allocating its finite, flexible financial resources that are most adaptable to their emerging program needs.

Many food access leaders noted that the recent reversion back to more restrictive, single-year grants has felt disruptive, as demand for services has not waned.

Food access organizations understand the needs of their communities, and the types of effort and resources required to meet those needs. **Trusting organizations with multi-year, general operating support enables food access organizations to continue building on their work in a sustainable way**, without compromising the quality of work and negatively impacting those who need it most: the clients.

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