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1  
 2 An act relating to the Healthy Food Financing  
 3 Initiative; providing definitions; directing the  
 4 Department of Agriculture and Consumer Services to  
 5 establish a Healthy Food Financing Initiative program  
 6 to provide specified financing to rehabilitate or  
 7 expand independent grocery stores and supermarkets in  
 8 underserved communities within low-income communities;  
 9 authorizing the department to contract with a third-  
 10 party administrator; establishing funding  
 11 specifications for administrators; providing program,  
 12 project, and applicant requirements; authorizing funds  
 13 to be used for specified purposes; directing the  
 14 department to submit an annual report to the  
 15 Legislature and adopt rules; directing the Office of  
 16 Program Policy Analysis and Government Accountability  
 17 to study the results of the program after a certain  
 18 time period; directing the termination of the program  
 19 under certain conditions; providing an appropriation;  
 20 providing an effective date.

21  
 22 Be It Enacted by the Legislature of the State of Florida:

23  
 24 Section 1. Healthy Food Financing Initiative.—

25 (1) As used in this section, the term:

26 (a) "Community facility" means a property owned by a



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27 nonprofit or for-profit entity in which health and human  
28 services are provided and space is offered in a manner that  
29 provides increased access to, or delivery or distribution of,  
30 food or other agricultural products to encourage public  
31 consumption and household purchases of fresh produce or other  
32 healthy food to improve the public health and well-being of low-  
33 income children, families, and older adults.

34 (b) "Department" means the Department of Agriculture and  
35 Consumer Services.

36 (c) "Independent grocery store or supermarket" means an  
37 independently owned grocery store or supermarket whose parent  
38 company does not own more than 40 grocery stores throughout the  
39 country based upon ownership conditions as identified in the  
40 latest Nielsen TDLinx Supermarket/Supercenter database.

41 (d) "Low-income community" means a population census  
42 tract, as reported in the most recent United States Census  
43 Bureau American Community Survey, which meets one of the  
44 following criteria:

45 1. The poverty rate is at least 20 percent;

46 2. In the case of a low-income community located outside  
47 of a metropolitan area, the median family income does not exceed  
48 80 percent of the statewide median family income; or

49 3. In the case of a low-income community located inside of  
50 a metropolitan area, the median family income does not exceed 80  
51 percent of the statewide median family income or 80 percent of  
52 the metropolitan median family income, whichever is greater.



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53        (e) "Program" means the Healthy Food Financing Initiative  
54 established by the department.

55        (f) "Underserved community" means a distressed urban,  
56 suburban, or rural geographic area where a substantial number of  
57 residents have low access to a full-service supermarket or  
58 grocery store. An area with limited supermarket access must be:

59            1. A census tract, as determined to be an area with low  
60 access by the United States Department of Agriculture, as  
61 identified in the Food Access Research Atlas;

62            2. Identified as a limited supermarket access area as  
63 recognized by the Community Development Financial Institutions  
64 Fund of the United States Department of the Treasury; or

65            3. Identified as an area with low access to a supermarket  
66 or grocery store through a methodology that has been adopted for  
67 use by another governmental initiative, or well-established or  
68 well-regarded philanthropic healthy food initiative.

69        (2) The department shall establish a Healthy Food  
70 Financing Initiative program that is composed of and coordinates  
71 the use of grants from any source; federal, state, and private  
72 loans from a governmental entity or institutions regulated by a  
73 governmental entity; federal tax credits; and other types of  
74 financial assistance for the rehabilitation or expansion of  
75 independent grocery stores, supermarkets, community facilities,  
76 or other structures to increase access to fresh produce and  
77 other nutritious food in underserved communities.

78        (3) (a) The department may contract with one or more



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79 qualified nonprofit organizations or Florida-based federally  
80 certified community development financial institutions to  
81 administer the program through a public-private partnership.  
82 Eligible community development financial institutions must be  
83 able to demonstrate:

84 1. Prior experience in healthy food financing.

85 2. Support from the Community Development Financial  
86 Institutions Fund of the United States Department of the  
87 Treasury.

88 3. The ability to successfully manage and operate lending  
89 and tax credit programs.

90 4. The ability to assume full financial risk for loans  
91 made under this initiative.

92 (b) The department shall:

93 1. Establish program guidelines, raise matching funds,  
94 promote the program statewide, evaluate applicants, underwrite  
95 and disburse grants and loans, and monitor compliance and  
96 impact. The department may contract with a third-party  
97 administrator to carry out such duties. If the department  
98 contracts with a third-party administrator, funds shall be  
99 granted to the third-party administrator to create a revolving  
100 loan fund for the purpose of financing projects that meet the  
101 criteria of the program. The third-party administrator shall  
102 report to the department annually.

103 2. Create eligibility guidelines and provide financing  
104 through an application process. Eligible projects must:



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105        a. Be located in an underserved community;  
 106        b. Primarily serve low-income communities; and  
 107        c. Provide for the renovation or expansion of, including  
 108 infrastructure upgrades to, existing independent grocery stores  
 109 or supermarkets; or the renovation or expansion of, including  
 110 infrastructure upgrades to, community facilities to improve the  
 111 availability and quality of fresh produce and other healthy  
 112 foods.

113        3. Report annually to the President of the Senate and the  
 114 Speaker of the House of Representatives on the projects funded,  
 115 the geographic distribution of the projects, the costs of the  
 116 program, and the outcomes, including the number and type of jobs  
 117 created.

118        (4) (a) The Office of Program Policy Analysis and  
 119 Government Accountability shall review the program and data  
 120 collected from the department after a term of 7 years and report  
 121 to the President of the Senate and the Speaker of the House of  
 122 Representatives. The report shall include, but is not limited  
 123 to, health impacts based on data collected by the state on  
 124 diabetes, heart disease and other obesity-related diseases, and  
 125 other factors as determined by the department.

126        (b) If the report determines the program to be  
 127 unsuccessful after 7 years, the department shall create  
 128 guidelines for unused funds to be returned to the initial  
 129 investor.

130        (5) A for-profit entity, including a convenience store or



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131 a fueling station, or a not-for-profit entity, including, but  
132 not limited to, a sole proprietorship, partnership, limited  
133 liability company, corporation, cooperative, nonprofit  
134 organization, nonprofit community development entity, or private  
135 university, may apply for financing. An applicant for financing  
136 must:

137 (a) Demonstrate the capacity to successfully implement the  
138 project and the likelihood that the project will be economically  
139 self-sustaining;

140 (b) Demonstrate the ability to repay the loan; and

141 (c) Agree, as an independent grocery store or supermarket,  
142 for at least 5 years, to:

143 1. Accept Supplemental Nutrition Assistance Program  
144 benefits;

145 2. Apply to accept Special Supplemental Nutrition Program  
146 for Women, Infants, and Children benefits and accept such  
147 benefits, if approved;

148 3. Allocate at least 30 percent of food retail space for  
149 the sale of perishable foods, which may include fresh or frozen  
150 dairy products, fresh produce, and fresh meats, poultry, and  
151 fish;

152 4. Comply with all data collection and reporting  
153 requirements established by the department; and

154 5. Promote the hiring of local residents.

155

156 Projects including, but not limited to, corner stores, bodegas,



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157 or other types of nontraditional grocery stores that do not meet  
158 the 30 percent minimum in subparagraph 3. can still qualify for  
159 funding if such funding will be used for refrigeration,  
160 displays, or other one-time capital expenditures to promote the  
161 sale of fresh produce and other healthy foods.

162 (6) In determining which qualified projects to finance,  
163 the department or third-party administrator shall:

164 (a) Give preference to local Florida-based grocers or  
165 local business owners with experience in grocery stores and to  
166 grocers and business owners with a business plan model that  
167 includes written documentation of opportunities to purchase from  
168 Florida farmers and growers before seeking out-of-state  
169 purchases;

170 (b) Consider the level of need in the area to be served;

171 (c) Consider the degree to which the project will have a  
172 positive economic impact on the underserved community, including  
173 the creation or retention of jobs for local residents;

174 (d) Consider the location of existing independent grocery  
175 stores, supermarkets, or other markets relevant to the  
176 applicant's project and provide the established entity the right  
177 of first refusal for such project; and

178 (e) Consider other criteria as determined by the  
179 department.

180 (7) Financing for projects may be used for the following  
181 purposes:

182 (a) Site acquisition and preparation.



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- 183 |       (b) Construction and build-out costs.
- 184 |       (c) Equipment and furnishings.
- 185 |       (d) Workforce training or security.
- 186 |       (e) Predevelopment costs, such as market studies and
- 187 | appraisals.
- 188 |       (f) Energy efficiency measures.
- 189 |       (g) Working capital for first-time inventory and startup
- 190 | costs.
- 191 |       (h) Acquisition of seeds and starter plants for the
- 192 | residential cultivation of fruits, vegetables, herbs, and other
- 193 | culinary products. However, only 7 percent of the total funds
- 194 | expended in any one project under this section may be used for
- 195 | such acquisition.
- 196 |       (i) Other purposes as determined by the department or a
- 197 | third-party administrator.
- 198 |       (8) The department shall adopt rules to administer this
- 199 | section.
- 200 |       (9) The department may not distribute more than \$500,000
- 201 | among more than three recipients.

202 |       Section 2. For the 2016-2017 fiscal year, the sum of

203 | \$500,000 in nonrecurring funds from the General Revenue Fund is

204 | appropriated to the Department of Agriculture and Consumer

205 | Services for the purpose of implementing this act.

206 |       Section 3. This act shall take effect July 1, 2016.

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