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576-02641-16

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to the Healthy Food Financing Initiative; providing definitions; directing the Department of Agriculture and Consumer Services to establish a Healthy Food Financing Initiative program to provide specified financing to construct, rehabilitate, or expand independent grocery stores and supermarkets in underserved communities in low-income and moderate-income communities; authorizing the department to contract with a third-party administrator; providing program, project, and applicant requirements; authorizing funds to be used for specified purposes; directing the department to submit an annual report to the Legislature and adopt rules; providing that implementation of the program is contingent upon legislative appropriation; providing an effective date.

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

Section 1. Healthy Food Financing Initiative.—

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

(a) “Community facility” means a property owned by a nonprofit or for-profit entity or a unit of government in which health and human services are provided and space is offered in a manner that provides increased access to, or delivery or distribution of, food or other agricultural products to



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28 encourage public consumption and household purchases of fresh
29 produce or other healthy food to improve the public health and
30 well-being of low-income children, families, and older adults.

31 (b) "Department" means the Department of Agriculture and
32 Consumer Services.

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

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

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

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

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

50 (e) "Moderate-income community" means a population census
51 tract, as reported in the most recent United States Census
52 Bureau American Community Survey, in which the median family
53 income is between 81 percent and 95 percent of the statewide
54 median family income or metropolitan median family income.

55 (f) "Program" means the Healthy Food Financing Initiative
56 established by the department.



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

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

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

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

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

79 (3) (a) The department may contract with one or more
80 qualified nonprofit organizations or Florida-based federally
81 certified community development financial institutions to
82 administer the program through a public-private partnership.
83 Eligible community development financial institutions must be
84 able to demonstrate:

85 1. Prior experience in healthy food financing.



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

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

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

93 (b) The department shall:

94 1. Establish program guidelines, raise matching funds,
95 promote the program statewide, evaluate applicants, underwrite
96 and disburse grants and loans, and monitor compliance and
97 impact. The department may contract with a third-party
98 administrator to carry out such duties. The third-party
99 administrator shall report to the department annually.

100 2. Create eligibility guidelines and provide financing
101 through an application process. Eligible projects must be:

102 a. Located in an underserved community;

103 b. Primarily serve low-income or moderate-income
104 communities; and

105 c. Provide for the construction of new independent grocery
106 stores or supermarkets; the renovation or expansion of,
107 including infrastructure upgrades to, existing independent
108 grocery stores or supermarkets; or the construction, renovation,
109 or expansion of, including infrastructure upgrades to, community
110 facilities to improve the availability and quality of fresh
111 produce and other healthy foods.

112 3. Report annually to the President of the Senate and the
113 Speaker of the House of Representatives on the projects funded,
114 the geographic distribution of the projects, the costs of the



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115 program, and the outcomes, including the number and type of jobs
116 created and health initiatives associated with the program.

117 (4) A for-profit entity or a not-for-profit entity,
118 including, but not limited to, a sole proprietorship,
119 partnership, limited liability company, corporation,
120 cooperative, nonprofit organization, nonprofit community
121 development entity, university, or governmental entity may apply
122 for financing. An applicant for financing must:

123 (a) Demonstrate the capacity to successfully implement the
124 project and the likelihood that the project will be economically
125 self-sustaining;

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

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

129 1. Accept Supplemental Nutrition Assistance Program
130 benefits;

131 2. Apply to accept Special Supplemental Nutrition Program
132 for Women, Infants, and Children benefits and accept such
133 benefits, if approved;

134 3. Allocate at least 30 percent of food retail space for
135 the sale of perishable foods, which may include fresh or frozen
136 dairy products, fresh produce, and fresh meats, poultry, and
137 fish;

138 4. Comply with all data collection and reporting
139 requirements established by the department; and

140 5. Promote the hiring of local residents.

141
142 Projects including, but not limited to, corner stores, bodegas,
143 or other types of nontraditional grocery stores that do not meet



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144 the 30 percent minimum in subparagraph 3. can still qualify for
145 funding if such funding will be used for refrigeration,
146 displays, or other one-time capital expenditures to promote the
147 sale of fresh produce and other healthy foods.

148 (5) In determining which qualified projects to finance, the
149 department or third-party administrator shall:

150 (a) Give preference to local Florida-based grocers or local
151 business owners with experience in grocery stores and to grocers
152 and business owners with a business plan model that includes
153 written documentation of opportunities to purchase from Florida
154 farmers and growers before seeking out-of-state purchases;

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

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

159 (d) Consider other criteria as determined by the
160 department.

161 (6) Financing for projects may be used for the following
162 purposes:

163 (a) Site acquisition and preparation.

164 (b) Construction and build-out costs.

165 (c) Equipment and furnishings.

166 (d) Workforce training or security.

167 (e) Predevelopment costs, such as market studies and
168 appraisals.

169 (f) Energy efficiency measures.

170 (g) Working capital for first-time inventory and startup
171 costs.

172 (h) Acquisition of seeds and starter plants for the



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173 residential cultivation of fruits, vegetables, herbs, and other
174 culinary products. However, only 5 percent of the total funds
175 expended in any one project under this section may be used for
176 such acquisition.

177 (i) Other purposes as determined by the department or a
178 third-party administrator.

179 (7) The department shall adopt rules to administer this
180 section.

181 Section 2. Implementation of the Healthy Food Financing
182 Initiative is contingent upon appropriation by the Legislature.

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