

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Agriculture, Environment, and General Government

BILL: SB 1450

INTRODUCER: Senator Jones

SUBJECT: Healthy Food Financing Initiative Program

DATE: February 21, 2022 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fink</u>	<u>Becker</u>	<u>AG</u>	Favorable
2.	<u>Blizzard</u>	<u>Betta</u>	<u>AEG</u>	Recommend: Favorable
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 1450 amends the Healthy Food Financing Initiative, which was created in 2016. The bill transfers, renumbers, and amends section 500.81, Florida Statutes, to redefine “underserved communities,” revises requirements for the administration of and participation in the Healthy Food Financing Initiative program, and revises eligibility requirements for program participants. The bill also requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to review the program and collected data and provide the Legislature with a specified report.

The bill has an indeterminate fiscal impact on the Department of Agriculture and Consumer Services. See Section V. Fiscal Impact Statement.

The bill provides an effective date of July 1, 2022.

II. Present Situation:

Healthy Food Financing Initiative Program

This Legislature directed the department to establish a Healthy Food Financing Initiative Program (program) to provide financial assistance for the rehabilitation or expansion of grocery retail outlets located in underserved or low-income communities. The department was directed to draw upon and coordinate the use of federal, state, and private loans or grants, federal tax credits, and other types of financial assistance. The goal of the program is to improve public health and well-being of low-income children, families, and older adults by increasing access to fresh produce and other nutritious foods at participating independent grocery outlets that will be required to allocate at least 30 percent of their retail space to the sale of perishable foods, which may include fresh or frozen dairy products, fresh produce, and fresh meats, poultry, and fish. Annual reporting of the program’s accomplishments is required to be made to the President of

the Senate and Speaker of the House, and, after seven years, the OPPAGA is directed to review the impact and successfulness of the program.¹

For the 2016-2017 fiscal year, \$500,000 in non-recurring general revenue was appropriated to the department to implement the program.²

Food Insecurity in Florida

This year, the OPPAGA prepared a research memorandum to describe low income, low access (LILA) census tracts in the state, which includes describing what is known about LILA food areas and the effects on residents of those areas.³ The memorandum outlines the incidence of LILA census tracts statewide, specifically, the number of people that are both low income and have limited access to healthy food options by census tract; provides additional information about LILA areas in Hillsborough, Pinellas, and Suwannee counties; and provides high level policy considerations to expand access to healthy food in LILA areas.

In Florida, the number of LILA tracts has decreased since 2015, but barriers to healthy food access remain.⁴ Approximately 13.5 percent of Floridians live in census tracts that are both low income and low access, with a larger percentage of urban residents compared to rural residents. In Hillsborough and Pinellas counties, residents of LILA census tracts are from a disproportionately lower socioeconomic minority group compared to other areas of the county and the LILA census tracts have high poverty rates, and few, if any major chain supermarkets. Public and private entities have started a range of food access initiatives in these counties, though resource constraints present a challenge. In Suwannee County, the two LILA census tracts have a higher proportion of residents that are 65 and older, have no major chain supermarkets, and stakeholders report that the largest barrier to healthy food access is transportation.

High relative availability of unhealthy food refers to geographic areas where there is a high ratio of unhealthy food sources to healthy food sources. Such areas are sometimes referred to as food swamps. Both low-access and unhealthy food environments have been associated with a range of social, economic, and health concerns. A “low income” census tract is characterized by a poverty rate greater than 20 percent or the median family income is less than or equal to 80 percent of the statewide median family income, or in metropolitan areas, 80 percent of the metropolitan area median family income. A “low access” census tract is characterized by an area where at least 500 people, or 33 percent of the population, is greater than one mile (urban) or 10 miles (rural) from a supermarket, supercenter, or large grocery store.

III. Effect of Proposed Changes:

Section 1 renames ch. 595, F.S., entitled “School Food and Nutrition Services,” as “Food and Nutrition.”

¹ Section 500.81, F.S.

² Ch 2016-221, Laws of Fla.

³ Office of Program Policy and Government Accountability, “*Geographic Access to Healthy Food in Florida*,” (Dec. 27, 2021).

⁴ *Id.* at 10

Section 2 transfers and renumbers s. 500.81, F.S., as s. 595.801, F.S.

The bill changes the definition of “underserved community” to “a low income community where a substantial number of residents have low access to a full service supermarket or grocery store.”

The bill directs the department to establish a Healthy Food Financing Initiative program that provides grants and loans, for the construction, rehabilitation, or expansion of independent grocery stores, supermarkets, community facilities, or other retail outlets.

The bill also provides new program eligibility requirements for nonprofit organizations, requiring that the organization can demonstrate:

- Prior experience in healthy food financing;
- An exemption from taxation under s. 501(c)(3) of the Internal Revenue Code;
- The ability to successfully manage and operate lending and grant programs; and
- The ability to assume full financial risk for loans made under the program.

The bill also provides new program eligibility requirements for community development financial institutions. These institutions must demonstrate all of the following:

- Prior experience in healthy food financing;
- Certification by Support from the Community Development Financial Institutions Fund of the United States Department of the Treasury;
- The ability to successfully manage and operate lending and tax credit programs; and
- The ability to assume full financial risk for loans made under the program.

The bill also requires that any third-party administrator that contracts with the department shall provide quarterly updates to the department.

The department, or a third-party administrator, is required to:

- Establish program guidelines, raise matching funds, promote the program statewide, evaluate applicants, make award decisions, underwrite and disburse grants and loans, and monitor compliance and impact;
- Create eligibility guidelines and provide financing through an application process; and
- Report annually to the President of the Senate and the Speaker of the House of Representatives on the projects funded, the geographic distribution of the projects, and the outcomes, including the number and type of jobs created.

The bill also revises requirements for program applicants and projects. The entities that may apply for funding under the program include for profit entities, including convenience stores or fueling stations, and not-for-profit entities.

The bill requires that a program must demonstrate the capacity to successfully implement the project and the likelihood that the project will be economically self-sustaining, demonstrate the ability to repay the loan, accept Supplemental Nutrition Assistance Program benefits, and accept Women, Infants, and Children benefits. Additionally, independent grocery stores and supermarkets must allocate at least 30 percent of floor food retail space for the sale of perishable

foods. All program participants must comply with all data collection and reporting, and promote the hiring of local residents as well as Florida-based grocers.

The bill also requires certain requirements for program eligibility. Projects must:

- Be located in an underserved community;
- Provide for the construction of independent grocery stores or supermarkets; renovation, expansion, and infrastructure upgrades to stores and community facilities that improve the availability and quality of fresh produce and other healthy foods; or other projects that create or improve access to affordable fresh produce; and
- Fund at least three eligible projects annually.

The bill also requires that the OPPAGA review the program and data collected from the department after a term of seven years and provide a report to the President of the Senate and the Speaker of the House of Representatives. The report shall include economic impact and health outcomes data and other factors as determined by the department.

The bill requires the department to adopt rules to implement the bill.

Sections 3, 4, 5, 6, and 7 make technical changes.

Section 8 provides the bill will take effect on July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Funding for the Healthy Food Financing Initiative Program (program) is contingent upon specific appropriation by the Legislature. The department may incur an indeterminate increase in costs to implement the provisions of the bill. These costs will need to be funded through the overall appropriation for the program. This bill does not provide funding for the program.

In 2015, the department estimated \$64,499 in recurring funds and \$3,999 in nonrecurring funds for one temporary position and associated expenses would be needed to implement the program as passed into law in 2016.⁵

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 500.81, 595.801, 595.401, 595.402, 595.404, 595.408, and 595.501.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

⁵ Department of Agriculture and Consumer Services, Agency Analysis of 2016 House Bill 153, p. 3 (October 19, 2015) (on file with the Senate Committee on Agriculture).