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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.

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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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