

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1123**

Introduced by Council, 11.

Read first time January 19, 2012

Committee:

A BILL

1 FOR AN ACT relating to community development; to amend section  
2 81-3603, Reissue Revised Statutes of Nebraska; to adopt  
3 the Nebraska Healthy Food Financing Initiative Act; to  
4 create a fund; to harmonize provisions; and to repeal the  
5 original sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 6 of this act shall be known and  
2 may be cited as the Nebraska Healthy Food Financing Initiative Act.

3           Sec. 2. (1) The Legislature finds that:

4           (a) Access to healthy foods is a basic human necessity.  
5 When fresh fruits and vegetables and other healthy foods are not  
6 easily available or affordable, people, particularly low-income  
7 families, children, the elderly, and other at-risk populations, face  
8 serious barriers to eating a healthy diet. Research indicates that  
9 residents of low-income, minority, and rural communities are most  
10 often affected by poor access to supermarkets and other retailers  
11 offering healthy food choices. Lack of access to healthy, affordable  
12 food items contributes to the increased prevalence of obesity and  
13 other diet-related diseases which ultimately impose substantial  
14 societal costs, including increased public costs in providing health  
15 services; and

16           (b) It is in the interest of the welfare of the state and  
17 its residents to pursue opportunities for increasing access in  
18 underserved communities to retail grocers, urban and rural farm  
19 stands, farmers markets, food consumer cooperatives, community  
20 gardening projects, and distribution projects that enable food  
21 retailers in underserved communities to regularly obtain fresh  
22 produce.

23           (2) It is the intent of the Legislature to stimulate  
24 financing for grocery retail and other sources of healthy food for  
25 underserved communities in Nebraska, in both urban and rural areas;

1 to increase access to healthy, affordable food so as to improve diets  
2 and health; to support expanded economic opportunities in low-income  
3 and rural communities; and to provide expanded markets for Nebraska-  
4 grown farm products.

5           Sec. 3. For purposes of the Nebraska Healthy Food  
6 Financing Initiative Act, underserved community means a geographic  
7 area that has limited access to healthy food retailers and is located  
8 in a low-income or high-poverty area or an area that is otherwise  
9 determined to have serious healthy food access limitations.

10           Sec. 4. (1) To the extent that funds are available and in  
11 consultation with the Department of Agriculture and the Department of  
12 Health and Human Services, the Rural Development Commission shall  
13 establish a program of financial assistance involving both the public  
14 and private sectors to increase access to fresh fruits and vegetables  
15 and other nutritional foodstuffs in underserved communities.  
16 Financial assistance includes: (a) Grants; (b) loans made in  
17 participation with a financial institution pursuant to a contract,  
18 the terms and conditions of which shall be determined by the Rural  
19 Development Commission in conjunction with the financial institution;  
20 and (c) interest rate assistance on loans made through a financial  
21 institution.

22           (2) The commission shall contract with one or more  
23 entities certified as a qualified community development entity for  
24 purposes of 26 U.S.C. 45D of the Internal Revenue Code to develop and  
25 administer the program of financial assistance described in this

1 section, raise matching funds, acquire private investment capital,  
2 market the program statewide, evaluate applicants, make award  
3 decisions, underwrite loans made in participation with a financial  
4 institution, and monitor compliance and impact. Any funds  
5 administered by a qualified community development entity under the  
6 Nebraska Healthy Food Financing Initiative Act that are recovered as  
7 loan repayments or in any other manner may be utilized by the  
8 qualified community development entity to provide financial  
9 assistance to other eligible projects subject to the approval of the  
10 commission.

11 (3)(a) Such programs of financial assistance shall  
12 provide funding on a competitive, one-time basis as appropriate for  
13 the following eligible projects:

14 (i) New construction of retail grocery structures;

15 (ii) Grocery store renovations, expansion, and  
16 infrastructure upgrades;

17 (iii) Establishment of farmers markets, food consumer  
18 cooperatives, community gardening projects, mobile markets and  
19 delivery projects, and distribution projects that enable food  
20 retailers in underserved communities to regularly obtain fresh  
21 produce; and

22 (iv) Other projects that create or improve healthy food  
23 outlets that meet the intent of the Nebraska Healthy Food Financing  
24 Initiative Act.

25 (b) Funding made available for projects included in

1 subdivision (a) of this subsection may be used for:

2 (i) Site acquisition and preparation;

3 (ii) Construction costs;

4 (iii) Equipment and furnishings;

5 (iv) Workforce training;

6 (v) Security;

7 (vi) Certain predevelopment costs such as market studies  
8 and appraisals;

9 (vii) Working capital for first-time inventory and start-  
10 up costs; and

11 (viii) Other costs for eligible projects.

12 (c) In order to be considered for funding, an applicant  
13 shall meet the following criteria:

14 (i) The project for which the applicant seeks funding  
15 shall benefit an underserved community;

16 (ii) The applicant shall demonstrate a meaningful  
17 commitment to provide regular offerings of fresh fruits and  
18 vegetables; and

19 (iii) If applicable, the applicant shall accept  
20 Supplemental Nutrition Assistance Program and Special Supplemental  
21 Nutrition Program for Women, Infants, and Children benefits. For  
22 households in underserved communities that are not eligible for such  
23 benefits, the applicant shall demonstrate a meaningful commitment to  
24 make healthy food affordable to such low-income households in  
25 underserved communities.

1           (d) Applicants shall be evaluated on the following  
2 criteria to determine the funding awarded:

3           (i) Demonstrated capacity to successfully implement the  
4 project, including the applicant's relevant experience and the  
5 likelihood that the project will be economically self-sustaining;

6           (ii) The ability of the applicant to repay debt;

7           (iii) The degree to which the project requires an  
8 investment of public funding to move forward, create impact, or be  
9 competitive and the level of need in the area to be served;

10          (iv) The degree to which the project will provide new  
11 markets for Nebraska-grown fruits and vegetables and other Nebraska-  
12 grown food items;

13          (v) The degree to which the project will have a positive  
14 economic impact on the underserved community, including creating or  
15 retaining jobs for local residents; and

16          (vi) Other criteria the commission determines to be  
17 consistent with the purposes of the act.

18           Sec. 5. The Nebraska Healthy Food Financing Initiative  
19 Cash Fund is created. The State Treasurer shall credit to the fund  
20 any money appropriated to the fund by the Legislature and any money  
21 received as gifts or grants or other public or private funds obtained  
22 for the purposes of the Nebraska Healthy Food Financing Initiative  
23 Act. The fund may be used to carry out the purposes of the act and,  
24 to the extent practicable, to leverage other funding, including, but  
25 not limited to, new markets tax credits, federal and foundation grant

1 programs, incentives available to designated enterprise zones,  
2 operator equity, and funding from private sector financial  
3 institutions pursuant to the federal Community Reinvestment Act of  
4 1977, 12 U.S.C. 2901 et seq., and 12 C.F.R. parts 25, 228, 345, and  
5 563e. Any money in the fund available for investment shall be  
6 invested by the state investment officer pursuant to the Nebraska  
7 Capital Expansion Act and the Nebraska State Funds Investment Act.

8           Sec. 6. It is the intent of the Legislature that three  
9 hundred thousand dollars be appropriated annually to provide funding  
10 for the Nebraska Healthy Food Financing Initiative Act.

11           Sec. 7. Section 81-3603, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13           81-3603 The Rural Development Commission shall:

14           (1) Focus attention on and increase awareness of the  
15 opportunities and needs of rural Nebraskans;

16           (2) Advocate for rural Nebraska by proposing solutions to  
17 rural challenges;

18           (3) Strengthen community sustainability and growth in  
19 rural Nebraska through increased community-based wealth creation,  
20 expanded economic opportunity, and improved quality of life;

21           (4) Stimulate rural development innovation and foster  
22 information transfer to, from, and within rural Nebraska;

23           (5) Encourage and support continuity, coordination, and  
24 cooperation among national, state, multicomunity, and local rural  
25 development initiatives and service providers;

1           (6) Ensure that rural Nebraskans are afforded the  
2 opportunity to determine rural Nebraska's development agenda;

3           (7) Serve as an advisory body to the Governor, state  
4 agencies, and the Legislature on rural development issues;

5           (8) Establish an information clearinghouse on rural  
6 challenges and needs, development services, model initiatives,  
7 available resources, and service providers;

8           (9) Foster community-based development initiatives  
9 through multicomunity partnerships;

10           (10) Support strategic planning and research for and  
11 evaluation of rural development initiatives and service providers by  
12 administering the Nebraska Development Network Program;

13           (11) Serve as Nebraska's rural development council within  
14 the meaning of the National Rural Development Partnership by  
15 providing inventories, reports, assessments, and implementation plans  
16 as appropriate; ~~and~~

17           (12) Participate in the Partnership for Rural Nebraska;  
18 and -

19           (13) Administer the Nebraska Healthy Food Financing  
20 Initiative Act.

21           Sec. 8. Original section 81-3603, Reissue Revised  
22 Statutes of Nebraska, is repealed.