

1 SB260
2 165196-4
3 By Senators Reed, Ross, Whatley, Waggoner, Dial, Holley,
4 Coleman, Figures, Albritton, Smitherman, Marsh, Allen,
5 Scofield, Bussman, Williams, Glover and Hightower
6 RFD: Health and Human Services
7 First Read: 17-MAR-15

1 SB260

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4 ENROLLED, An Act,

5 Relating to underserved communities; to create the
6 Healthy Food Financing Act to provide financing for grocery
7 stores to operate in low and moderate income areas in order to
8 increase the availability of fresh and nutritious food to
9 underserved communities; and to require the Alabama Department
10 of Economic and Community Affairs to administer the financing
11 program.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. (a) This act shall be known as the
14 Healthy Food Financing Act.

15 (b) The purpose of this act is to establish a
16 statewide program to increase the availability of fresh and
17 nutritious food, including fruits and vegetables, in
18 underserved communities by providing financing for retailers
19 to open, renovate, or expand grocery stores.

20 Section 2. For the purposes of this act, the
21 following words have the following meanings:

22 (1) DEPARTMENT. The Alabama Department of Economic
23 and Community Affairs.

24 (2) FINANCING. Loans or grants.

1 (3) GROCERY STORE. A for-profit or nonprofit
2 self-service retail establishment that primarily sells meat,
3 seafood, fruits, vegetables, dairy products, dry groceries,
4 household products, and other healthy or fresh food retailers.

5 (4) LOW INCOME AREA. A census tract, as reported in
6 the most recently completed decennial census published by the
7 U.S. Bureau of the Census, that has a poverty rate of at least
8 20 percent or in which the median family income does not
9 exceed 80 percent of the greater of the statewide or
10 metropolitan median family income.

11 (5) MODERATE INCOME AREA. A census tract in which
12 the median family income is between 81 and 95 percent of the
13 median family income for the area.

14 (6) UNDERSERVED COMMUNITY. A census tract determined
15 to be an area with low supermarket access by either the U.S.
16 Department of Agriculture (USDA), as identified in the USDA's
17 Food Access Research Atlas, or through a methodology that has
18 been adopted for use by another governmental or philanthropic
19 healthy food initiative.

20 Section 3. There is established the Healthy Food
21 Financing Fund, which shall be comprised of federal, state, or
22 private grants or loans, federal tax credits, or other type of
23 financial assistance, for the construction or expansion of
24 grocery stores to expand access to fresh produce and other
25 nutritious foods in underserved communities. Monies in the

1 fund shall be used, to the extent practicable, to leverage
2 other forms of financing. No less than 25 percent of the
3 monies in the fund shall be expended in the form of grants or
4 forgivable loans.

5 Section 4. (a) The department, in cooperation with
6 public and private sector partners, shall establish a
7 financing program to provide financing to retailers to
8 construct, rehabilitate, or expand grocery stores in
9 underserved communities in urban and rural low and moderate
10 income areas.

11 (b) The department may contract with one or more
12 qualified nonprofit organizations or community development
13 financial institutions to administer this program through a
14 public-private partnership. The department shall establish
15 program guidelines, promote the program statewide, evaluate
16 applicants, underwrite and disburse grants and loans, and
17 monitor compliance and impact. The department may develop
18 rules in accordance with the Administrative Procedure Act to
19 carry out the program and to meet the intent of this act. No
20 more than 10 percent of the monies in the fund shall be
21 reserved for administrative and operational costs to manage
22 the program by the department, unless those costs are provided
23 for from other budgets or in-kind resources.

24 (c) The department shall establish monitoring and
25 accountability mechanisms for projects receiving financing and

1 shall report annually to the Legislature on the projects
2 funded, the geographic distribution of the projects, the costs
3 of the program, the administrative cost of the program, and
4 the outcomes, including the number and type of jobs created
5 and health impacts associated with the program.

6 (d) The department shall create eligibility
7 guidelines and provide financing through an application
8 process. Projects shall be located in an underserved community
9 and primarily serve low or moderate income areas. Projects
10 eligible for financing include the following:

11 (1) Construction of new grocery stores.

12 (2) Store renovations, expansion, and infrastructure
13 upgrades that improve the availability and quality of fresh
14 produce and other healthy foods.

15 (e) An applicant for financing may be a for-profit
16 or nonprofit entity, including, but not limited to, a sole
17 proprietorship, partnership, limited liability company,
18 corporation, cooperative, nonprofit organization, nonprofit
19 community development entity, university, or government
20 entity. An applicant for financing shall do all of the
21 following:

22 (1) Demonstrate the capacity to successfully
23 implement the project and the likelihood that the project will
24 be economically self-sustaining.

25 (2) Demonstrate the ability to repay the debt.

1 (3) Agree, for a period of at least five years, to
2 comply with the following conditions:

3 a. To allocate at least 30 percent of food retail
4 space for the sale of perishable foods, which may include
5 fresh or frozen dairy, fresh produce, whole grains, fresh
6 meats, poultry, and fish.

7 b. To comply with all data collection and reporting
8 requirements established by the department.

9 c. To promote the hiring of local residents.

10 (f) In determining which qualified projects to
11 finance, the department shall consider all of the following:

12 (1) The level of need in the area to be served.

13 (2) The degree to which the project requires an
14 investment of public financing to move forward, create impact,
15 or be competitive, and the level of need in the area to be
16 served.

17 (3) The degree to which the project will have a
18 positive economic impact on the underserved community,
19 including by creating or retaining jobs for local residents.

20 (4) The degree to which the project will participate
21 in state and local health department initiatives to educate
22 consumers on nutrition and promote healthier eating.

23 (5) Other criteria the department determines to be
24 consistent with the purposes of this act.

1 (g) Financing made available for projects may be
2 used for any of the following purposes:

3 (1) Site acquisition and preparation.

4 (2) Construction and build-out costs.

5 (3) Equipment and furnishings.

6 (4) Workforce training or security.

7 (5) Pre-development costs such as market studies and
8 appraisals.

9 (6) Energy efficiency measures.

10 (7) Working capital for first-time inventory and
11 startup costs.

12 Section 5. This act shall become effective on the
13 first day of the third month following its passage and
14 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB260

Senate 31-MAR-15

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris
Secretary

House of Representatives
Amended and passed 19-MAY-15

Senate concurred in House amendment 21-MAY-15

By: Senator Reed