LEGISLATIVE ACTION

| Senate     | • | House |
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| Comm: RCS  |   |       |
| 02/08/2012 |   |       |
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The Committee on Budget Subcommittee on Health and Human Services Appropriations (Garcia) recommended the following:

## Senate Amendment (with title amendment)

Between lines 98 and 99

insert:

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Section 3. Healthy Foods Retail Act.-

(1) This section may be cited as the "Healthy Foods Retail Act."

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(2) The Legislature finds that:

(a) When fresh fruits and vegetables and other healthy

10 foods are not easily available or affordable, people,

11 particularly low-income families, children, and the elderly,

12 face serious barriers to eating a healthful diet. National

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| 13 | research indicates that residents of low-income, minority, and   |
|----|--|
| 14 | rural communities are most often affected by inadequate access   |
| 15 | to supermarkets and other retailers selling healthy food, as     |
| 16 | well as by high rates of obesity.                                |
| 17 | (b) Obesity, which results from poor diet and physical           |
| 18 | inactivity, is the fastest growing cause of disease and death in |
| 19 | the United States, putting growing numbers of adults and         |
| 20 | children at risk for developing heart disease, type 2 diabetes,  |
| 21 | hypertension, certain cancers, and other health problems.        |
| 22 | (c) Increasing access to retail food outlets that sell           |
| 23 | fresh fruits, vegetables, and other healthy food is an important |
| 24 | strategy for fighting the obesity epidemic and improving health. |
| 25 | Studies have shown that people who have better access to         |
| 26 | supermarkets and fresh produce tend to have healthier diets and  |
| 27 | lower levels of obesity.   |
| 28 | (d) Developing quality retail food outlets also creates          |
| 29 | jobs, expands markets for farmers, and supports economic         |
| 30 | vitality in underserved communities.                             |
| 31 | (e) The program established pursuant to this section is          |
| 32 | intended to provide a dedicated source of financing for food     |
| 33 | retailers operating in underserved communities in this state, in |
| 34 | both urban and rural areas; to increase access to affordable     |
| 35 | healthy food in order to improve diets and health; to promote    |
| 36 | the sale and consumption of fresh fruits and vegetables,         |
| 37 | particularly those that are locally grown; and to support        |
| 38 | expanded economic opportunities in low-income and rural          |
| 39 | communities.   |
| 40 | (3) As used in this section, the term:                           |
| 41 | (a) "Department" means the Department of Agriculture and         |
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| 42 | Consumer Services.   |
|----|--|
| 43 | (b) "Funding" means grants, loans, or a combination of           |
| 44 | grants and loans.  |
| 45 | (c) "Healthy food retailers" means for-profit or not-for-        |
| 46 | profit retailers that sell high-quality fresh fruits and         |
| 47 | vegetables at competitive prices, including, but not limited to, |
| 48 | supermarkets, grocery stores, and farmers' markets.              |
| 49 | (d) "Program" means a public-private partnership                 |
| 50 | established under this section and administered by the           |
| 51 | department to provide a dedicated source of financing for food   |
| 52 | retailers that provide increased access to fresh fruits and      |
| 53 | vegetables and other affordable healthy food for state           |
| 54 | residents.   |
| 55 | (e) "Underserved community" means a geographic area that         |
| 56 | has limited access to healthy food retailers and is located in a |
| 57 | lower income or high-poverty area, or an area that is otherwise  |
| 58 | found to have serious limitations on access to healthy food.     |
| 59 | (4) To the extent funds are available, the department, in        |
| 60 | cooperation with public and private sector partners, shall       |
| 61 | establish a financing program that provides funding to healthy   |
| 62 | food retailers that provide increased access to fresh fruits and |
| 63 | vegetables and other affordable healthy food in underserved      |
| 64 | communities.   |
| 65 | (a) The department may contract with one or more qualified       |
| 66 | nonprofit organizations or community development financial       |
| 67 | institutions to administer the program, raise matching funds,    |
| 68 | provide for marketing the program statewide, evaluate            |
| 69 | applicants, make award decisions, underwrite loans, and monitor  |
| 70 | compliance and impact. The department and its partners shall     |

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| 71 | coordinate with complementary nutrition assistance and education |
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| 72 | programs.  |
| 73 | (b) The program shall provide funding on a competitive,          |
| 74 | one-time basis as appropriate for eligible projects.             |
| 75 | (c) The program may provide funding for projects such as:        |
| 76 | 1. New construction of supermarkets and grocery stores.          |
| 77 | 2. Store renovations, store expansion, and infrastructure        |
| 78 | upgrades that improve the availability and quality of fresh      |
| 79 | produce.   |
| 80 | 3. Farmers' markets and public markets, food cooperatives,       |
| 81 | mobile markets and delivery projects, and distribution projects  |
| 82 | that enable food retailers in underserved communities to         |
| 83 | regularly obtain fresh produce.                                  |
| 84 | 4. Other projects that create or improve access to healthy       |
| 85 | food retailers and meet the intent of this section as determined |
| 86 | by the department.   |
| 87 | (d) Funding made available for projects may be used for the      |
| 88 | following purposes:  |
| 89 | 1. Site acquisition and preparation.                             |
| 90 | 2. Construction costs.   |
| 91 | 3. Equipment and furnishings.                                    |
| 92 | 4. Workforce training.   |
| 93 | 5. Security.   |
| 94 | 6. Predevelopment costs such as market studies and               |
| 95 | appraisals.  |
| 96 | 7. Working capital for first-time inventory and startup          |
| 97 | <u>costs.</u>  |
| 98 |  |
| 99 | A restaurant is not eligible for funding under this section.     |

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| 100 | (e) An applicant for funding may be a for-profit or not-        |
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| 101 | for-profit entity, including, but not limited to, a sole        |
| 102 | proprietorship, partnership, limited liability company,         |
| 103 | corporation, cooperative, nonprofit organization, nonprofit     |
| 104 | community development entity, university, or governmental       |
| 105 | entity.   |
| 106 | (f) In order to be considered for funding, an applicant         |
| 107 | must meet the following criteria:                               |
| 108 | 1. The project for which the applicant seeks funding must       |
| 109 | benefit an underserved community.                               |
| 110 | 2. The applicant must demonstrate a meaningful commitment       |
| 111 | to sell fresh fruits and vegetables, according to a measurable  |
| 112 | standard established by the department.                         |
| 113 | 3. Generally, the applicant must accept vouchers issued by      |
| 114 | the federal Supplemental Nutrition Assistance Program and be    |
| 115 | able to serve clients of the Special Supplemental Nutrition     |
| 116 | Program for Women, Infants, and Children (WIC). For categories  |
| 117 | of program applicants that are not eligible to accept vouchers  |
| 118 | issued under the federal Supplemental Nutrition Assistance      |
| 119 | Program or to serve WIC clients, the department shall establish |
| 120 | an alternative standard for demonstrating a meaningful          |
| 121 | commitment to making healthy food affordable to low-income      |
| 122 | households.   |
| 123 | (g) In order to determine the amount of funding to award,       |
| 124 | the department shall evaluate project applicants on the         |
| 125 | following criteria:   |
| 126 | 1. Demonstrated capacity to successfully implement the          |
| 127 | project, including the applicant's relevant experience, and the |
| 128 | likelihood that the project will be economically self-          |
|     |   |

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| 129 | sustaining.  |
|-----|--|
| 130 | 2. The ability of the applicant to repay debt.                   |
| 131 | 3. The degree to which the project requires an investment        |
| 132 | of public funding to move forward, create impact, or be          |
| 133 | competitive, and the level of need in the area to be served. The |
| 134 | department may also take into account additional factors, such   |
| 135 | as proximity to public transit lines, which will improve or      |
| 136 | preserve retail access for low-income residents.                 |
| 137 | 4. The degree to which the project will promote sales of         |
| 138 | fresh produce, particularly locally grown fruits and vegetables. |
| 139 | 5. The degree to which the project will have a positive          |
| 140 | economic impact on the underserved community, including creating |
| 141 | or retaining jobs for local residents.                           |
| 142 | 6. Other criteria that the department determines to be           |
| 143 | consistent with the purposes of this section.                    |
| 144 | (h) The department shall establish program benchmarks and        |
| 145 | reporting processes to make certain that the program benefits    |
| 146 | both rural and urban communities. The department shall also      |
| 147 | establish monitoring and accountability mechanisms for projects  |
| 148 | receiving funding, such as tracking fruit and vegetable sales    |
| 149 | data.  |
| 150 | (i) The department shall prepare and submit an annual            |
| 151 | report to the Legislature, including outcome data, on any        |
| 152 | projects funded.   |
| 153 | (5) To the extent practicable, funds described in this           |
| 154 | section may be used to leverage other funding, including, but    |
| 155 | not limited to, the new markets tax credit program, federal and  |
| 156 | foundation grants, incentives available to federally designated  |
| 157 | empowerment zones or renewal communities, operator equity, and   |

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| 158 | funding from private sector financial institutions under the              |
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| 159 | federal Community Reinvestment Act of 1977.                               |
| 160 | (6) The department may adopt rules as necessary to                        |
| 161 | administer this section.  |
| 162 |   |
| 163 | =========== T I T L E A M E N D M E N T ================================= |
| 164 | And the title is amended as follows:                                      |
| 165 | Delete lines 2 - 18   |
| 166 | and insert:   |
| 167 | An act relating to underserved communities; amending                      |
| 168 | s. 402.82, F.S.; restricting the use of an electronic                     |
| 169 | benefit transfer card to prohibit accessing cash from                     |
| 170 | outside the state and purchasing certain products;                        |
| 171 | expanding the list of items that may not be purchased                     |
| 172 | with the federal Supplemental Nutrition Assistance                        |
| 173 | Program funds; prohibiting the use of benefits in                         |
| 174 | restaurants; directing the Department of Children and                     |
| 175 | Family Services to promote the benefits of healthy and                    |
| 176 | nutritious eating habits; requiring the department to                     |
| 177 | seek federal authorization or waiver when necessary;                      |
| 178 | amending s. 414.095, F.S.; revising the method of                         |
| 179 | payment of temporary cash assistance to include an                        |
| 180 | electronic benefit transfer card; prohibiting a cash                      |
| 181 | assistance recipient from accessing cash benefits                         |
| 182 | through an electronic benefit transfer card from an                       |
| 183 | automatic teller machine located in certain locations;                    |
| 184 | creating the Healthy Foods Retail Act; providing                          |
| 185 | legislative findings; providing definitions; directing                    |
| 186 | the Department of Agriculture and Consumer Services to                    |
|     |   |

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COMMITTEE AMENDMENT

Florida Senate - 2012 Bill No. SB 1658



187 establish a financing program to help fund projects 188 that increase access to fresh fruits and vegetables in 189 underserved communities; authorizing the department to contract with other organizations to administer the 190 191 program; specifying how the funding is to be used; 192 providing who is eligible for funding; providing 193 criteria for project funding and evaluation; requiring 194 an annual report to the Legislature; authorizing available funds to be used to leverage other funding; 195 196 authorizing the department to adopt rules;