

SB217 INTRODUCED



1 BAUU4J-1
2 By Senator Singleton
3 RFD: Finance and Taxation General Fund
4 First Read: 19-Apr-23
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SYNOPSIS:

Under existing law, the Healthy Food Financing Fund provides financing for the construction or expansion of grocery stores in underserved communities that are in low or moderate income areas.

This bill would change the name of the fund to the Healthy Food Fund.

This bill would provide grants for the building, construction, renovation, expansion, or build-out costs of grocery stores or food resource providers in underserved communities that are in low or moderate income areas.

Under existing law, the fund is comprised of federal, state, or private grants or loans, federal tax credits, or other types of financial assistance.

This bill would limit the fund to grants.

A BILL
TO BE ENTITLED
AN ACT

Relating to underserved communities; to amend Sections 41-23-150, 41-23-151, 41-23-152, and 41-23-153, Code of Alabama 1975, to change the name of the Healthy Food Financing



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29 Fund; to further provide for the types of facilities where
30 monies can be used; to further provide for the ways monies can
31 be used; and to limit the sources of funding available under
32 the program.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

34 Section 1. Sections 41-23-150, 41-23-151, 41-23-152,
35 and 41-23-153, Code of Alabama 1975, are amended to read as
36 follows:

37 "§41-23-150

38 (a) This article shall be known as the Healthy Food
39 ~~Financing~~ Funding Act.

40 (b) The purpose of this article is to establish a
41 statewide program to increase the availability of fresh and
42 nutritious food, including fruits and vegetables, in
43 underserved communities by providing ~~financing~~ grants for
44 retailers and certain nonprofit entities to open, renovate, or
45 expand grocery stores or food resource providers."

46 "§41-23-151

47 For the purposes of this article, the following words
48 have the following meanings:

49 (1) DEPARTMENT. The Alabama Department of Economic and
50 Community Affairs.

51 (2) FOOD RESOURCE PROVIDER. A for-profit or nonprofit
52 organization that distributes fresh or nutritious food,
53 including, but not limited to, food banks, food pantries, or
54 mobile food vehicles.

55 ~~(2) FINANCING. Loans or grants.~~

56 (3) GROCERY STORE. A for-profit or nonprofit



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57 self-service retail establishment that primarily sells meat,
58 seafood, fruits, vegetables, dairy products, dry groceries,
59 household products, and other healthy or fresh food retailers.

60 (4) LOW INCOME AREA. A census tract, as reported in the
61 most recently completed decennial census published by the U.S.
62 Bureau of the Census, that has a poverty rate of at least 20
63 percent or in which the median family income does not exceed
64 80 percent of the greater of the statewide or metropolitan
65 median family income.

66 (5) MODERATE INCOME AREA. A census tract, as reported
67 in the most recently completed decennial census published by
68 the U.S. Bureau of the Census, in which the median family
69 income is between 81 and 95 percent of the median family
70 income for the area.

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

77 "§41-23-152

78 There is established the Healthy Food ~~Financing~~ Fund,
79 which shall be comprised of federal, state, or private grants
80 ~~or loans, federal tax credits, or other type of financial~~
81 ~~assistance,~~ for the construction ~~or,~~ expansion, building,
82 renovation, rehabilitation, or build-out of grocery stores or
83 food resource providers to expand access to fresh produce and
84 other nutritious foods in underserved communities. ~~Monies in~~



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85 ~~the fund shall be used, to the extent practicable, to leverage~~
86 ~~other forms of financing. No less than 25 percent of the~~
87 ~~monies in the fund shall be expended in the form of grants or~~
88 ~~forgivable loans."~~

89 "§41-23-153

90 (a) The department, in cooperation with public and
91 private sector partners, shall establish a ~~financing grant~~
92 program to provide ~~financing to retailers grants~~ to construct,
93 ~~build, renovate,~~ rehabilitate, ~~build-out,~~ or expand grocery
94 stores ~~or food resource providers~~ in underserved communities
95 in urban and rural low and moderate income areas.

96 (b) (1) The department may contract with one or more
97 qualified nonprofit organizations or community development
98 financial institutions to administer this program through a
99 public-private partnership.

100 (2) The department shall establish program guidelines,
101 promote the program statewide, evaluate applicants, ~~underwrite~~
102 ~~and disburse grants and loans~~ ~~award grants~~, and monitor ~~program~~
103 compliance and impact.

104 (3) The department may develop rules in accordance with
105 the Administrative Procedure Act to carry out the program and
106 to meet the intent of this article.

107 (4) No more than 10 percent of the monies in the fund
108 shall be reserved for administrative and operational costs to
109 manage the program by the department, unless those costs are
110 provided for from other budgets or in-kind resources.

111 (c) The department shall establish monitoring and
112 accountability mechanisms for projects receiving ~~financing~~



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113 grants and shall report annually to the Legislature on the
114 projects funded, the geographic distribution of the projects,
115 the costs of the program, the administrative cost of the
116 program, and the outcomes of the program, including the number
117 and type of jobs created and health impacts associated with
118 the program.

119 (d) The department shall create eligibility guidelines
120 and provide ~~financing~~ grants through an application process.
121 Projects shall be located in an underserved community and
122 primarily serve low or moderate income areas. Projects
123 eligible for ~~financing~~ grants include any of the following:

124 (1) Construction of new grocery stores or food resource
125 providers.

126 (2) ~~Store renovations~~ Renovation, expansion, ~~and~~
127 infrastructure, equipment purchases, and other upgrades that
128 improve the availability and quality of fresh produce and
129 other ~~healthy~~ nutritious foods.

130 (3) Initial startup costs, workforce development, and
131 pre-development costs such as market studies and appraisals.

132 (e) An applicant for ~~financing~~ a grant may be a
133 for-profit or nonprofit entity, including, but not limited to,
134 a sole proprietorship, partnership, limited liability company,
135 corporation, cooperative, nonprofit organization, nonprofit
136 community development entity, university, or government
137 entity. An applicant for ~~financing~~ a grant shall do all of the
138 following:

139 (1) Demonstrate the capacity to successfully implement
140 the project ~~and the likelihood that the project will be~~



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141 ~~economically self-sustaining.~~

142 ~~(2) Demonstrate the ability to repay the debt.~~

143 ~~(3)~~ (2) Agree, to stock fresh produce and other
144 nutritious foods, which may include whole grains, dairy,
145 produce, meat, poultry, or fish, for a period of at least ~~five~~
146 ~~years, to comply with the following conditions:~~ one year.

147 ~~a. To allocate at least 30 percent of food retail space~~
148 ~~for the sale of perishable foods, which may include fresh or~~
149 ~~frozen dairy, fresh produce, whole grains, fresh meats,~~
150 ~~poultry, and fish.~~

151 ~~b. To~~ (3) Agree to comply with all program data
152 collection and reporting requirements established by the
153 department.

154 ~~c. To promote~~ (4) Promote the hiring of local
155 residents.

156 (f) In determining which qualified projects to
157 ~~finance~~ fund, the department shall consider all of the
158 following:

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

160 ~~(2) The degree to which the project requires an~~
161 ~~investment of public financing to move forward, create impact,~~
162 ~~or be competitive, and the level of need in the area to be~~
163 ~~served.~~

164 ~~(3)~~ (2) The degree to which the project will have a
165 positive economic impact on the underserved community,
166 including by creating or retaining jobs for local residents.

167 ~~(4)~~ (3) The degree to which the project will participate
168 in state and local health department initiatives to educate



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169 consumers on nutrition and promote healthier eating.

170 ~~(5)~~ (4) Other criteria the department determines to be
171 consistent with the purposes of this article.

172 (g) ~~Financing~~ Grants made available for projects may be
173 used for any of the following purposes:

174 (1) Site acquisition and preparation.

175 (2) Construction ~~and~~, building, renovation, expansion,
176 rehabilitation, or build-out costs of grocery stores or food
177 resource providers.

178 (3) Equipment and furnishings to be used by grocery
179 stores or food resource providers for purposes consistent with
180 this article.

181 (4) Workforce training ~~or security.~~

182 (5) Pre-development costs such as market studies and
183 appraisals.

184 (6) Energy efficiency measures.

185 (7) Working capital for first-time inventory and
186 startup costs.

187 (8) Security to be used by grocery stores or food
188 resource providers for purposes consistent with this article.

189 (h) Any grant that is unawarded, unexpended, or
190 recaptured may be awarded or otherwise expended by the
191 department consistent with this article."

192 Section 2. This act shall become effective on the first
193 day of the third month following its passage and approval by
194 the Governor, or its otherwise becoming law.