



MEMORANDUM

AGENDA ITEM IV. B.1.

DATE: FEBRUARY 6, 2012
TO: COUNCIL MEMBERS
FROM: STAFF
SUBJECT: LEGISLATIVE UPDATE

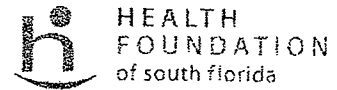
As you are aware, legislation is subject to numerous changes during session by Committees and each Chamber, so staff resources will not be dedicated to conducting detailed analysis; rather Council staff will work with the Florida Regional Planning Councils Association to track legislation that may affect our local governments and the South Florida Region.

In addition, the Council may be asked to provide a position on specific bills. Staff will review these requests and present them to the Council for consideration. The Health Foundation of South Florida has requested a letter of support for Senate Bill 852, "The Healthy Food Act." The bill is intended to increase access to healthy foods, especially in lower income and minority communities. It would also establish the framework, within the Florida Department of Agriculture and Consumer Affairs, to provide financial assistance to the private sector for the construction of supermarkets, store renovations, farmers' markets, and other projects.

Staff analyzed the bill and recommends the Council support the legislation with one proposed change: that organizations such as the South Florida Regional Planning Council with proven experience as a lender be added the list of entities that are eligible to "administer the program, raise matching funds, provide for marketing the program statewide, evaluate applicants, make award decisions, underwrite loans, and monitor compliance and impact" [Lines 79-86].

Recommendation

Approve the request for a letter of support for SB 852 to Senator Gary Siplin and the Legislative Delegations for Broward, Miami-Dade, and Monroe Counties.



January 20, 2012

To: Budget Subcommittee on General Government Appropriations
Florida State Senate

Dear Senators,

I'm writing to express my commitment to supporting programs, such as the proposed Healthy Food Retail Act, which would improve the health of Floridians and also provide economic and job growth opportunities.

While the fiscal realities in our state require hard choices, we believe the Healthy Food Retail Act, modeled after the Pennsylvania Fresh Food Financing Initiative, is a worthy investment. The proposed loan and grant financing program to attract grocery stores and other fresh food retail to underserved urban, suburban, and rural areas, and renovate and expand existing stores would create jobs, spark economic development, and promote health.

For example, Pennsylvania's Fresh Food Financing Initiative resulted in 88 stores being built or renovated in underserved communities across the state. These stores have improved access to healthy food, created or retained 5,000 jobs, increased local tax revenues, and stimulated additional development. An investment of \$30 million in state dollars leveraged additional private investments and resulted in projects totaling \$190 million. Given the success experienced by Pennsylvania, other states and cities have replicated the model including California, New York City, Detroit, and Illinois.

The following depicts the potential impact:

New Jobs

- 24.3 new jobs are created on average for every 10,000 square feet of retail grocery space. Typical grocery stores range in size from 20,000 to 50,000 square feet.

Improved Property Values

- An assessment of a similar initiative in Philadelphia found that home values increased by 4 to 7% in neighborhoods with new grocery stores. Grocery stores also typically serve as anchors to other commercial development.

Increased Tax Revenue

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- Increased retail activity, employment, and property value leads to increased sales, income and property tax revenue, helping relieve pressures on state and local budgets.

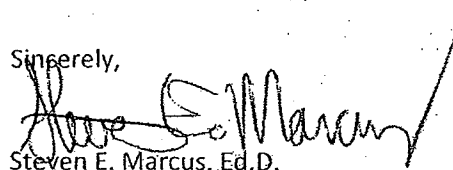
Improved Health

- Numerous studies show that increasing the availability of healthy, fresh, affordable food can reduce obesity and diet-related chronic disease. In both rural and urban areas studies show that people consume more fruits and vegetables and improve their diets when there is a grocery store or fresh food retail outlet in their community.

Florida's proposed Healthy Food Retail Act incorporates the key components that allowed the Pennsylvania program to be successful at attracting private dollars, garnering the commitment of store operators, completing fresh food retail projects, and stimulating local economies. In addition, it holds great promise for helping our state combat childhood obesity by improving families' access to fresh, healthy food.

We are excited of the opportunity to implement a statewide initiative which will improve the health and economic well-being of Floridians.

Sincerely,



Steven E. Marcus, Ed.D.
CEO and President

By Senator Siplin

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A bill to be entitled

An act relating to the Healthy Foods Retail Act;
providing legislative findings; providing definitions;
directing the Department of Agriculture and Consumer
Services to establish a financing program to help fund
projects that increase access to fresh fruits and
vegetables in underserved areas; authorizing the
department to contract with other organizations to
administer the program; specifying how the funding is
to be used; providing who is eligible for funding;
providing criteria for project funding and evaluation;
requiring an annual report to the Legislature;
authorizing available funds to be leveraged to access
federal funding; authorizing the department to adopt
rules; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Healthy Foods Retail Act.—

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

(2) The Legislature finds that:

(a) When fresh fruits and vegetables and other healthy foods are not easily available or affordable, people, particularly low-income families, children, and the elderly, face serious barriers to eating a healthy diet. National research indicates that residents of low-income, minority, and rural communities are most often affected by inadequate access to supermarkets and other retailers selling healthy food, as

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well as by high rates of obesity.

(b) Obesity, which results from poor diet and physical inactivity, is the fastest growing cause of disease and death in the United States, putting growing numbers of adults and children at risk for developing heart disease, type 2 diabetes, hypertension, certain cancers, and other health problems.

(c) Increasing access to retail food outlets that sell fresh fruits, vegetables, and other healthy food is an important strategy for fighting the obesity epidemic and improving health. Studies have shown that people who have better access to supermarkets and fresh produce tend to have healthier diets and lower levels of obesity.

(d) Developing quality retail food outlets also creates jobs, expands markets for farmers, and supports economic vitality in underserved communities.

(e) The program established pursuant to this section is intended to provide a dedicated source of financing for food retailers operating in underserved communities in this state, in both urban and rural areas; to increase access to affordable healthy food in order to improve diets and health; to promote the sale and consumption of fresh fruits and vegetables, particularly those that are locally grown; and to support expanded economic opportunities in low-income and rural communities.

(3) As used in this section, the term:

(a) "Department" means the Department of Agriculture and Consumer Services.

(b) "Funding" means grants, loans, or a combination of grants and loans.

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59 (c) "Healthy food retailers" means for-profit or not-for-
60 profit retailers that sell high-quality fresh fruits and
61 vegetables at competitive prices, including, but not limited to,
62 supermarkets, grocery stores, and farmers' markets.

63 (d) "Program" means a public-private partnership
64 established under this section and administered by the
65 department to provide a dedicated source of financing for food
66 retailers that provide increased access to fresh fruits and
67 vegetables and other affordable healthy food for state
68 residents.

69 (e) "Underserved community" means a geographic area that
70 has limited access to healthy food retailers and is located in a
71 lower income or high-poverty area, or an area that is otherwise
72 found to have serious limitations on access to healthy food.

73 (4) To the extent funds are available, the department, in
74 cooperation with public and private sector partners, shall
75 establish a financing program that provides funding to healthy
76 food retailers that provide increased access to fresh fruits and
77 vegetables and other affordable healthy food in underserved
78 communities.

79 (a) The department may contract with one or more qualified
80 nonprofit organizations or community development financial
81 institutions to administer the program, raise matching funds,
82 provide for marketing the program statewide, evaluate
83 applicants, make award decisions, underwrite loans, and monitor
84 compliance and impact. The department and its partners shall
85 coordinate with complementary nutrition assistance and education
86 programs.

87 (b) The program shall provide funding on a competitive,

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one-time basis as appropriate for eligible projects.

(c) The program may provide funding for projects such as:

1. New construction of supermarkets and grocery stores.

2. Store renovations, store expansion, and infrastructure upgrades that improve the availability and quality of fresh produce.

3. Farmers' markets and public markets, food cooperatives, mobile markets and delivery projects, and distribution projects that enable food retailers in underserved communities to regularly obtain fresh produce.

4. Other projects that create or improve access to healthy food retailers and meet the intent of this section as determined by the department.

(d) Funding made available for projects may be used for the following purposes:

1. Site acquisition and preparation.

2. Construction costs.

3. Equipment and furnishings.

4. Workforce training.

5. Security.

6. Predevelopment costs such as market studies and appraisals.

7. Working capital for first-time inventory and start-up costs.

A restaurant is not eligible for funding under this section.

(e) An applicant for funding may be a for-profit or a not-for-profit entity, including, but not limited to, a sole proprietorship, partnership, limited liability company,

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corporation, cooperative, nonprofit organization, nonprofit
community development entity, university, or governmental
entity.

(f) In order to be considered for funding, an applicant
must meet the following criteria:

1. The project for which the applicant seeks funding must
benefit an underserved community.

2. The applicant must demonstrate a meaningful commitment
to sell fresh fruits and vegetables, according to a measurable
standard established by the department.

3. Generally, the applicant must accept vouchers issued by
the Supplemental Nutrition Assistance Program and be able to
serve clients of the Special Supplemental Nutrition Program for
Women, Infants, and Children (WIC). The department shall
establish an alternative standard for demonstrating a meaningful
commitment to making healthy food affordable to low-income
households for categories of program applicants that are not
eligible to accept vouchers issued under the Supplemental
Nutrition Assistance Program or serve WIC clients.

(g) In order to determine the amount of funding to award,
project applicants shall be evaluated on the following criteria:

1. Demonstrated capacity to successfully implement the
project, including the applicant's relevant experience, and the
likelihood that the project will be economically self-
sustaining.

2. The ability of the applicant to repay debt.

3. The degree to which the project requires an investment
of public funding to move forward, create impact, or be
competitive, and the level of need in the area to be served.

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Additional factors that will improve or preserve retail access for low-income residents, such as proximity to public transit lines, may also be taken into account.

4. The degree to which the project will promote sales of fresh produce, particularly locally grown fruits and vegetables.

5. The degree to which the project will have a positive economic impact on the underserved community, including creating or retaining jobs for local residents.

6. Other criteria the department determines to be consistent with the purposes of this section.

(h) The department shall establish program benchmarks and reporting processes to make certain that the program benefits both rural and urban communities. The department shall also establish monitoring and accountability mechanisms for projects receiving funding, such as tracking fruit and vegetable sales data.

(i) The department shall prepare and submit an annual report to the Legislature, including outcome data, on any projects funded.

(5) To the extent practicable, funds described in this section may be used to leverage other funding, including, but not limited to, the New Markets Tax Credits Program, federal and foundation grants, incentives available to federally designated Empowerment Zones or Renewal Communities, operator equity, and funding from private sector financial institutions under the federal Community Reinvestment Act of 1977.

(6) The department may adopt rules as necessary to administer this section.

Section 2. This act shall take effect July 1, 2012.