

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 1814 Session of  
2019

---

INTRODUCED BY KINSEY, CEPHAS, BURGOS, HILL-EVANS, SOLOMON, RABB,  
A. DAVIS, PASHINSKI, WILLIAMS, CIRESI, OTTEN, SCHLOSSBERG,  
FREEMAN, McCLINTON, KIM, BULLOCK AND DAWKINS,  
SEPTEMBER 16, 2019

---

REFERRED TO COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,  
SEPTEMBER 16, 2019

---

AN ACT

1 Providing for the Pennsylvania Fresh Food Financing Initiative;  
2 and imposing powers and duties on the Department of  
3 Agriculture.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Fresh Food  
8 Financing Initiative Act.

9 Section 2. Purpose.

10 The purpose of this act is to establish financing for a State  
11 program designed to increase the availability of fresh and  
12 nutritious food, known as the Pennsylvania Fresh Food Financing  
13 Initiative, by stimulating investment of capital, job creation,  
14 economic vitality and financing for the construction,  
15 rehabilitation or expansion of grocery stores, farmers markets  
16 or other healthy food retail establishments in underserved and  
17 low-income or moderate-income communities in this Commonwealth.

1 Section 3. Definitions.

2 The following words and phrases when used in this act shall  
3 have the meanings given to them in this section unless the  
4 context clearly indicates otherwise:

5 "CDFI." A community development financial institution that  
6 is certified by the United States Department of the Treasury  
7 and provides credit and financial services for underserved  
8 communities.

9 "Department." The Department of Community and Economic  
10 Development of the Commonwealth.

11 "Financing." A loan, grant or loan in which repayment may be  
12 waived if certain conditions or criteria established by the  
13 lender are satisfied.

14 "Food access organization" or "FAO." A nonprofit  
15 organization with expertise in improving access to healthy food  
16 in underserved communities.

17 "Grocery store." A for-profit or not-for-profit self-service  
18 retail establishment that primarily sells meat, seafood, fruits,  
19 vegetables, dairy products, dry groceries, household products  
20 and sundries.

21 "Healthy food retail establishment." The term includes, but  
22 is not limited to, a small-scale store, corner store,  
23 convenience store, neighborhood store, bodega, food hub, mobile  
24 market, farmers market and food aggregation and processing  
25 center.

26 "Low-income or moderate-income community." A census tract as  
27 reported in the most recently completed decennial census  
28 published by the United States Census Bureau that has a poverty  
29 rate of at least 20% or in which the median family income does  
30 not exceed 80% of the greater of the Statewide or metropolitan

1 median family income.

2 "Program." The Pennsylvania Fresh Food Financing Initiative  
3 established under section 4.

4 "Program administrator." The department or CDFIs selected by  
5 the department.

6 "Underserved community." A census tract determined to be an  
7 area with low supermarket access by either the United States  
8 Department of Agriculture as identified in the Food Access  
9 Research Atlas or through a methodology that has been adopted  
10 for use by another governmental or philanthropic healthy food  
11 initiative.

12 Section 4. Establishment.

13 The Pennsylvania Fresh Food Financing Initiative is  
14 established.

15 Section 5. Administration of program.

16 (a) General rule.--The program shall be administered by the  
17 department in collaboration with the Department of Agriculture,  
18 or CDFIs selected by the department, to improve food access in  
19 this Commonwealth.

20 (b) CDFIs as program administrator.--CDFIs may apply to  
21 perform the duties of program administrator. The department may  
22 select eligible CDFIs to perform the role of program  
23 administrator. CDFI applicants shall be evaluated under the  
24 eligibility requirements under subsection (c) which also may be  
25 required in rules and regulations or request for proposals  
26 issued by the department. Program administrators shall be  
27 required to enter into a contract with the department.

28 (c) Eligibility requirements.--CDFI applicants must  
29 demonstrate the following:

30 (1) Ability to administer financing programs in

1 accordance with Federal and State rules and accounting  
2 principles.

3 (2) Business activity throughout this Commonwealth.

4 (3) Experience in food-based lending.

5 (4) Experience leveraging private and philanthropic  
6 funding.

7 (d) Program administrator duties.--The program administrator  
8 shall:

9 (1) Raise capital to leverage State funds.

10 (2) Evaluate projects.

11 (3) Underwrite and disburse financing to projects.

12 (4) Establish monitoring and accountability mechanisms  
13 for projects that receive financing.

14 (5) Report the following information annually to the  
15 department:

16 (i) The number of projects that receive funding.

17 (ii) The geographic distribution of the projects.

18 (iii) The administrative and financing costs of the  
19 program.

20 (iv) The outcomes, including, but not limited to,  
21 the number and type of jobs created and health  
22 initiatives associated with the program.

23 (e) Program management.--The program administrator shall  
24 identify and partner with a food access organization to manage  
25 the program. The FAO, in partnership with the program  
26 administrator, shall develop and establish program guidelines  
27 and eligibility criteria to meet the needs of program applicants  
28 and the communities served. The FAO shall conduct outreach and  
29 marketing of the program to the following:

30 (1) Food producers.

- 1 (2) Retailers.
- 2 (3) Business entrepreneurs.
- 3 (4) Local governments.
- 4 (5) Communities in need of improved access.
- 5 (6) Other operators in communities where infrastructure
- 6 costs and credit needs are not met by conventional financial
- 7 institutions.

8 (f) Program priority.--The program shall promote local  
9 agricultural products by allowing for priority to be given for  
10 projects producing, aggregating, sourcing and selling  
11 Pennsylvania farmed products, including the department's  
12 Pennsylvania Preferred program. The program may track the sale  
13 of Pennsylvania farmed products through supported retailers.

14 (g) Program applicant eligibility.--The FAO shall determine  
15 applicant eligibility using maps, data tools and other forms of  
16 market research to ensure projects are supported by the  
17 community. The FAO shall:

18 (1) Offer grocery stores or healthy food retail  
19 establishments developing in underserved communities  
20 technical assistance and expertise in areas such as in-store  
21 marketing, community engagement and local food procurement.

22 (2) Facilitate connections between wholesalers, grocers  
23 and other technical assistance providers.

24 (3) Develop a framework for evaluating community impact.

25 (h) Administrative or operational costs.--No more than 10%  
26 of the funding in section 7 may be reserved for administrative  
27 and operational costs to manage the program.

28 Section 6. Financing eligibility.

29 (a) Eligible projects.--An eligible project for financing  
30 includes any of the following:

1 (1) A for-profit business enterprise, including a  
2 corporation, limited liability company, sole proprietor,  
3 cooperative or partnership.

4 (2) A not-for-profit corporation.

5 (3) An agricultural cooperative corporation.

6 (4) A public benefit corporation municipal corporation.

7 (5) A regional market facility or cooperative.

8 (b) Eligible uses.--An eligible use for financing includes  
9 any of the following:

10 (1) Predevelopment costs for project feasibility.

11 (2) Land assembly, including demolition and  
12 environmental remediation.

13 (3) Site development.

14 (4) Infrastructure improvement, including renovation,  
15 new construction or adaptive reuse.

16 (5) Equipment purchases that improve the availability  
17 and quality of fresh produce.

18 (6) Funding of debt service.

19 (7) Innovative food access technology that assists an  
20 existing or new grocery store.

21 (8) Innovative food access technology that assists the  
22 healthy food efforts of a food retail establishment.

23 (9) Other healthy food initiatives.

24 Section 7. Financing.

25 (a) Establishment of account.--A restricted account is  
26 established in the General Fund and shall be used exclusively  
27 for the program in accordance with this act. The money in the  
28 account is hereby appropriated on a continuing basis to the  
29 department for the purposes of this act.

30 (b) Transfer.--Beginning July 1, 2019, and each fiscal year

1 thereafter, the sum of \$5,000,000 shall be transferred from the  
2 General Fund to the restricted account established in subsection  
3 (a).

4 (c) Contributions.--The department may accept gifts,  
5 donations, legacies and other revenues, including Federal  
6 appropriations, for deposit into the restricted account.

7 Section 8. Effective date.

8 This act shall take effect in 60 days.