

By: Zaffirini, West

S.B. No. 1590

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a Texas grocery access investment fund program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 2, Agriculture Code, is amended by adding Chapter 26 to read as follows:

CHAPTER 26. TEXAS GROCERY ACCESS INVESTMENT FUND

Sec. 26.001. DEFINITIONS. In this chapter:

(1)"Financing" means loans and grants and/or forgivable loans.

(2)"Fund" means the Texas grocery access investment fund established by this chapter.

(3)"Grocery store" means a for-profit or not-for profit self-service retail establishment that primarily sells meat, seafood, fruits, vegetables, dairy products, dry groceries, household products, and sundries.

(4)"Low Income area" means a census tract (as reported in the most recently completed decennial census published by the United States Bureau of the Census) that has a poverty rate of at least 20 percent or in which the median family income does not exceed 81 percent of the greater of the statewide or metropolitan median family income.

(5)"Moderate Income area" means a census tract in which the median family income is between 81 and 95 percent

1 of the area median family income.

2 (6)"Program" means the Texas grocery access
3 investment fund program authorized by this chapter.

4 (7)"Supplemental nutrition assistance
5 program" means the nutritional assistance program formerly
6 referred to as the food stamp program.

7 (8)"Underserved Community" means a census
8 tract determined to be an area with low supermarket access by either
9 the U.S. Department of Agriculture (USDA), as identified in the
10 USDA's Food Access Research Atlas, or through a methodology that
11 has been adopted for use by another governmental or philanthropic
12 healthy food initiative.

13 (9)"WIC program" means the federal special
14 supplemental nutrition program for women, infants, and children
15 authorized by 42 U.S.C. Section 1786.

16 Sec. 26.002. TEXAS GROCERY ACCESS INVESTMENT FUND PROGRAM.

17 (a) The Texas Department of Agriculture, in cooperation
18 with public and private sector partners, shall establish the Texas
19 Grocery Access Investment Fund program to provide Financing to
20 construct, rehabilitate or expand grocery stores in Underserved
21 Communities in urban and rural Low and Moderate Income Areas.

22 (b) The Texas Grocery Access Investment Fund shall be
23 comprised of money appropriated by the legislature, as well as
24 federal, state, or private grants or loans, federal tax credits, or
25 other type of financial assistance, for the construction or
26 expansion of grocery stores to expand access to fresh produce and
27 other nutritious foods in Underserved Communities.

1 (c) Monies in the Fund shall be expended upon appropriation
2 by the Legislature, and shall be used, to the extent practicable, to
3 leverage other forms of financing. No less than 25 percent of the
4 monies in the Fund shall be expended in the form of grants or
5 forgivable loans.

6 Sec. 26.003. ADMINISTRATION OF THE TEXAS GROCERY ACCESS
7 INVESTMENT FUND. (a) The Texas Department of Agriculture shall
8 contract with one or more qualified nonprofit organizations or
9 community development financial institutions to administer this
10 program through a public-private partnership. The nonprofit
11 organizations or community development financial institution will
12 establish program guidelines, raise matching funds, promote the
13 program statewide, evaluate applicants, underwrite and disburse
14 grants and loans, and monitor compliance and impact. The Texas
15 Department of Agriculture shall develop rules, regulations, or
16 other procedures to carry out the program to meet the intent of this
17 Chapter. No more than 10 percent of the monies in the Fund shall be
18 reserved for administrative and operational costs to manage the
19 program, unless those costs are provided for from other budgets or
20 in-kind resources.

21 (b) The Texas Department of Agriculture shall establish
22 monitoring and accountability mechanisms for projects receiving
23 Financing and shall report annually to the Legislature on the
24 projects funded, the geographic distribution of the projects, the
25 costs of startup and administering the program, and the outcomes,
26 including the number and type of jobs created and health impact
27 associated with the program.

1 (c) Project eligibility for Financing. The Texas Department
2 of Agriculture shall create eligibility guidelines and provide
3 Financing through an application process. Projects must be located
4 in an Underserved Community and primarily serve Low or Moderate
5 Income Areas. Projects eligible for financing are:

6 (1) Construction of new grocery stores and

7 (2) Store renovations, expansion, and infrastructure
8 upgrades that improve the availability and quality of fresh produce
9 and other healthy foods.

10 (d) Qualifications for receiving Financing. An applicant
11 for Financing may be a for-profit or not-for profit entity,
12 including but not limited to, a sole proprietorship, partnership,
13 limited liability company, corporation, cooperative, nonprofit
14 organization, nonprofit community development entity, university,
15 or government entity. An applicant for Financing must:

16 (1) Demonstrate the capacity to successfully
17 implement the project and the likelihood that the project will be
18 economically self-sustaining;

19 (2) Demonstrate the ability to repay the debt; and

20 (3) Agree, for period of at least [~~five~~] years, to
21 comply with the following conditions:

22 (4) To accept Supplemental Nutrition Assistance
23 Program (SNAP) benefits.

24 (5) To apply to accept Special Supplemental Nutrition
25 Program for Women, Infants and Children (WIC) benefits and accept
26 WIC benefits, if approved.

27 (6) To allocate at least 30 percent of food retail

1 space for the sale of perishable foods, which may include fresh or
2 frozen dairy, fresh produce, whole grains, fresh meats, poultry,
3 and fish.

4 (7) To comply with all data collection and reporting
5 requirements established by the Texas Department of Agriculture.

6 (8) The degree to which the entity's proposed grocery
7 store would promote the sale of fresh produce, including
8 Texas-grown fruits and vegetables; and Texas-raised fresh meat,
9 poultry and seafood products.

10 (9) To promote the hiring of local residents.

11 (e) Criteria for selecting projects for Financing. In
12 determining which qualified projects to finance, the Texas
13 Department of Agriculture shall consider:

14 (1) The level of need in the area to be served;

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

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

21 (4) The degree to which the project will work with
22 state and local health department initiatives or Texas Agri-Life to
23 educate consumers on nutrition and promote healthier eating; and

24 (5) Other criteria the department/agency determines
25 to be consistent with the purposes of this Chapter.

26 (f) Eligible costs. Financing made available for projects
27 may be used for the following purposes:

- 1 (1) Site acquisition and preparation;
- 2 (2) Construction and build-out costs;
- 3 (3) Equipment and furnishings;
- 4 (4) Workforce training or security;
- 5 (5) Pre-development costs such as market studies and
6 appraisals;
- 7 (6) Energy-efficiency measures; and
- 8 (7) Working capital for first-time inventory and
9 start-up costs.

10 SECTION 2. Not later than December 1, 2015, the Texas
11 Department of Agriculture shall adopt rules to administer Chapter
12 26, Agriculture Code, as added by this Act.

13 SECTION 3. Not later than December 15, 2015, the Texas
14 Department of Agriculture shall contract with one or more
15 non-profit organizations or a community development financial
16 institution provided by Section 26.003, Agriculture Code, as added
17 by this Act.

18 SECTION 4. Not later than January 15, 2016, the Texas
19 Department of Agriculture shall transfer money to the Texas Grocery
20 Access Investment Fund.

21 SECTION 5. This Act takes effect September 1, 2015.