

BILL ANALYSIS

H.B. 3324
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties suggest that certain low-income and moderate-income communities suffering from chronic disease issues would benefit from greater access to grocery stores, mobile markets, farm stands, and other similar projects. H.B. 3324 seeks to address these goals by establishing the Texas grocery access investment fund program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 1 of this bill.

ANALYSIS

H.B. 3324 amends the Government Code to require the Texas Department of Housing and Community Affairs (TDHCA), in cooperation with public and private sector partners, to establish the Texas grocery access investment fund program to provide financing to construct, rehabilitate, or expand grocery stores, mobile markets, farm stands, and other eligible projects as determined by the TDHCA to increase food access in underserved low-income and moderate-income areas in Texas. The bill specifies that the fund is a trust fund outside the treasury with the comptroller of public accounts and administered by the TDHCA and authorizes the fund to be composed of money received from a private financial institution; federal, state, or private grants or loans; money received as a result of federal tax credits; money appropriated to the fund by the legislature; any other type of financial assistance; and interest received on money in the fund. The bill requires the TDHCA, not later than January 15, 2018, to transfer money held by the TDHCA from those sources to the Texas grocery access investment fund.

H.B. 3324 requires the TDHCA, not later than December 15, 2017, to contract with one or more of the following entities to administer the program through a public-private partnership: a nonprofit organization, a community development financial institution, a governmental entity, a private financial institution, an academic institution, or any other entity considered appropriate by the TDHCA. The bill requires an entity with which the TDHCA contracts, subject to rules, procedures, and guidelines adopted or established by the TDHCA, to establish program guidelines, raise matching funds, promote the program statewide, evaluate applicants, underwrite and disburse grants and loans, and monitor compliance with and the impact of the program. The bill authorizes the TDHCA to disburse a grant or loan capped at an amount of \$20,000 per project for an eligible project. The bill requires the TDHCA to establish rules or other procedures as necessary to administer the bill's provisions and to adopt those rules not later than December 1, 2017. The bill authorizes the TDHCA to contract with an appropriate academic institution to

establish monitoring and accountability mechanisms for projects receiving financing under the program, requires such an institution under contract with the TDHCA to report annually to the legislature, and prescribes the required contents of the report.

H.B. 3324 requires the TDHCA to create project eligibility guidelines and provide financing through an application process. The bill conditions a project's eligibility for financing on the project primarily serving low-income or moderate-income areas and being located in an underserved area as defined by the bill. The bill establishes that projects eligible for financing include the construction, expansion, or rehabilitation of a grocery store, a mobile market, and a farm stand, and any other approved project that furthers the program's purposes. The bill authorizes an applicant for financing to be a for-profit or nonprofit entity and requires an applicant to demonstrate the capacity to successfully implement the project and the likelihood that the project will be economically self-sustaining, demonstrate the ability to repay any loan required to be repaid, and agree, for a period of five years, to accept benefits under the federal supplemental nutrition assistance program and the federal special supplemental nutrition assistance program for women, infants, and children, provide sufficient access to healthy food, comply with all data collection and reporting requirements established by the TDHCA, promote the sale of fresh produce, and promote the hiring of local residents.

H.B. 3324 bill sets out the factors an entity under contract with the TDHCA to administer the program is required to consider in determining which eligible projects to finance and specifies the purposes for which a recipient of financing may use program funds.

EFFECTIVE DATE

September 1, 2017.