

# HOUSE BILL No. 1143

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-20-10.

**Synopsis:** Healthy food finance. Establishes the healthy food financing fund (fund) and healthy food financing program (program) under the administration of the Indiana housing and community development authority (IHCDA). Provides that the purpose of the fund is to provide financing in the form of loans or grants for projects that increase the availability of fresh and nutritious food in underserved communities. Defines an "underserved community" as a census tract determined to be an area with low supermarket access: (1) by the United States Department of Agriculture; or (2) as identified through a methodology used by another healthy food initiative. Provides that the IHCDA may contract with one or more nonprofit organizations or community development financial institutions to administer the program through a public-private partnership. Provides that an applicant for a grant or a loan must demonstrate the capacity to successfully implement the project and the ability to repay the loan. Provides that an applicant for a grant or a loan must agree to satisfy certain conditions. Requires the IHCDA to monitor projects receiving financing and submit a report annually to the legislative council that includes the number and types of jobs created, and the health initiatives associated with the program. Continuously appropriates money in the fund. Makes an appropriation to the fund.

**Effective:** July 1, 2019.

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## Shackleford

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January 7, 2019, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

## HOUSE BILL No. 1143

A BILL FOR AN ACT to amend the Indiana Code concerning health and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-20-10 IS ADDED TO THE INDIANA CODE AS
- 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2019]:
- 4 **Chapter 10. Healthy Food Financing Program**
- 5 **Sec. 1. As used in this chapter, "development authority" refers**
- 6 **to the Indiana housing and community development authority**
- 7 **created by IC 5-20-1-3.**
- 8 **Sec. 2. As used in this chapter, "financing" means:**
- 9 **(1) loans (including forgivable loans); or**
- 10 **(2) grants.**
- 11 **Sec. 3. As used in this chapter, "fund" refers to the healthy food**
- 12 **financing fund established by section 9 of this chapter.**
- 13 **Sec. 4. As used in this chapter, "grocery store" means a**
- 14 **for-profit or nonprofit self-service retail establishment that**
- 15 **primarily sells meat, seafood, fruits, vegetables, dairy products,**
- 16 **dry groceries, household products, and sundries.**
- 17 **Sec. 5. As used in this chapter, "low income area" means a**



1 census tract (as reported in the most recently completed decennial  
2 census published by the U.S. Bureau of the Census):

- 3 (1) that has a poverty rate of at least twenty percent (20%);  
4 or  
5 (2) in which the median family income is not more than eighty  
6 percent (80%) of the greater of:

7 (A) the median family income in Indiana; or

8 (B) if applicable, the metropolitan median family income.

9 Sec. 6. As used in this chapter, "moderate income area" means  
10 a census tract in which the median family income is more than  
11 eighty percent (80%) but not more than ninety-five percent (95%)  
12 of the median family income for the area.

13 Sec. 7. As used in this chapter, "program" refers to the healthy  
14 food financing program conducted under section 10 of this chapter.

15 Sec. 8. As used in this chapter, "underserved community"  
16 means a census tract determined to be an area with low  
17 supermarket access:

18 (1) by the United States Department of Agriculture, as  
19 identified in its Food Access Research Atlas; or

20 (2) as identified through a methodology that has been adopted  
21 for use by another governmental or philanthropic healthy  
22 food initiative.

23 Sec. 9. (a) The healthy food financing fund is established. The  
24 purpose of the fund is to provide financing for projects that  
25 increase the availability of fresh and nutritious food in underserved  
26 communities, including financing for retailers to open, renovate, or  
27 expand grocery stores. The fund shall be administered by the  
28 development authority.

29 (b) The fund consists of the following:

30 (1) Appropriations by the general assembly.

31 (2) Donations.

32 (3) Federal grants or other federal appropriations.

33 (4) Interest and other earnings derived from investment of  
34 money in the fund.

35 (c) Money in the fund at the end of a state fiscal year does not  
36 revert to the state general fund.

37 (d) Money in the fund is continuously appropriated for the  
38 purposes of this chapter.

39 (e) Money in the fund must be used, to the extent practicable, to  
40 leverage other forms of financing.

41 (f) At least ten percent (10%) of the money in the fund shall be  
42 reserved for administrative and operational costs to manage the



1 program, unless those costs are provided for from other budgets or  
2 in-kind resources.

3 (g) The development authority may not expend annually more  
4 than ten percent (10%) of the fund for administrative and  
5 operational costs to manage the program.

6 Sec. 10. The development authority shall conduct, in  
7 cooperation with public and private sector partners, a healthy food  
8 financing program to provide financing for eligible projects as  
9 described in section 12 of this chapter.

10 Sec. 11. The development authority may contract with one (1)  
11 or more qualified nonprofit organizations or community  
12 development financial institutions to administer the program  
13 through a public-private partnership. The development authority  
14 shall establish program guidelines, raise matching funds, promote  
15 the program statewide, evaluate applicants, underwrite and  
16 disburse grants and loans, and monitor compliance and impact.

17 Sec. 12. The development authority shall create eligibility  
18 guidelines and provide financing through an application process.  
19 Projects must be located in an underserved community and  
20 primarily serve low income areas and moderate income areas. The  
21 following projects are eligible for financing:

22 (1) Construction of new grocery stores.

23 (2) Grocery store, food bank, or food pantry renovations,  
24 expansion, and infrastructure upgrades that improve the  
25 availability and quality of fresh produce and other healthy  
26 foods.

27 (3) Farmers' markets, farm stands and markets, community  
28 supported agriculture programs, food cooperatives, mobile  
29 markets, and delivery projects and distribution projects that  
30 improve the availability and quality of fresh produce and  
31 other healthy foods.

32 (4) Other projects, including outreach programs, that  
33 improve the availability and quality of fresh produce and  
34 other healthy foods.

35 Sec. 13. An applicant for financing under this chapter may be a  
36 for-profit or nonprofit entity, including a sole proprietorship,  
37 partnership, limited liability company, corporation, cooperative,  
38 nonprofit organization, nonprofit community development entity,  
39 university, or government entity. An applicant for financing must:

40 (1) demonstrate the capacity to successfully implement the  
41 project and the likelihood that the project will be  
42 economically self-sustaining;



1 (2) demonstrate the ability to repay the loan; and  
 2 (3) agree, for a period of not less than five (5) years, to comply  
 3 with the following conditions:

4 (A) If applicable, to accept, pending the accessibility of  
 5 technology, Supplemental Nutrition Assistance Program  
 6 (SNAP) benefits.

7 (B) If applicable, to accept, if approved, Special  
 8 Supplemental Nutrition Program for Women, Infants and  
 9 Children (WIC) benefits.

10 (C) If applicable, to allocate at least fifty percent (50%) of  
 11 food retail space for the sale of perishable foods, which  
 12 may include fresh or frozen dairy, fresh produce, whole  
 13 grains, fresh meats, poultry, and fish.

14 (D) To comply with all data collection and reporting  
 15 requirements established by the development authority.

16 (E) To promote the hiring of local residents.

17 (F) To require that any partner in the implementation of  
 18 a project under this chapter complies with clauses (A)  
 19 through (E).

20 **Sec. 14. In determining which eligible projects to finance, the**  
 21 **development authority shall consider:**

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

23 (2) the degree to which the project requires an investment of  
 24 public financing to move forward, create impact, or be  
 25 competitive;

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

29 (4) the degree to which the project will participate in state and  
 30 local health department initiatives to educate consumers on  
 31 nutrition and promote healthier eating; and

32 (5) other criteria that the development authority determines  
 33 to be consistent with the purposes of this chapter.

34 **Sec. 15. Financing made available for projects under this**  
 35 **chapter may be used for the following purposes:**

36 (1) Site acquisition and preparation.

37 (2) Construction and build-out costs.

38 (3) Equipment and furnishings.

39 (4) Workforce training or security.

40 (5) Predevelopment costs, such as market studies and  
 41 appraisals.

42 (6) Energy efficiency measures.



1           **(7) Working capital for first time inventory and startup costs.**

2           **(8) Outreach and educational activities.**

3           **(9) Technology infrastructure and software development.**

4           **Sec. 16. The development authority shall establish monitoring**  
5 **and accountability mechanisms for projects receiving financing**  
6 **under this chapter and shall submit a report annually to the**  
7 **legislative council on the projects funded, the geographic**  
8 **distribution of the projects, the costs of the program, and the**  
9 **outcomes, including the number and types of jobs created, and the**  
10 **health initiatives associated with the program. The report**  
11 **submitted to the legislative council must be in an electronic format**  
12 **under IC 5-14-6.**

13           **SECTION 2. [EFFECTIVE JULY 1, 2019] (a) There is**  
14 **appropriated to the Indiana housing and community development**  
15 **authority for deposit in the healthy food financing fund established**  
16 **by IC 5-20-10-9, as added by this act:**

17           **(1) for the state fiscal year beginning July 1, 2019, and ending**  
18 **June 30, 2020, five million dollars (\$5,000,000); and**

19           **(2) for the state fiscal year beginning July 1, 2020, and ending**  
20 **June 30, 2021, five million dollars (\$5,000,000);**

21 **from the state general fund.**

22           **(b) This SECTION expires July 1, 2021.**

