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(SENATE AUTHORS: SPARKS, Ruud, Dahms, Tomassoni and Ingebrigtsen)

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1.1 A bill for an act
 1.2 relating to agriculture; establishing a good food access program and advisory
 1.3 committee to provide financial and technical assistance to increase access to
 1.4 affordable foods; requiring a report; appropriating money; proposing coding for
 1.5 new law in Minnesota Statutes, chapter 17.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **[17.1017] GOOD FOOD ACCESS PROGRAM.**

1.8 Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language
 1.9 or context indicates that a different meaning is intended, the following terms have the
 1.10 meanings given them.

1.11 (b) "Account" means the good food access account established in subdivision 3.

1.12 (c) "Commissioner" means the commissioner of agriculture.

1.13 (d) "Economic or community development financial institution (ECDFI)" means
 1.14 a lender, including but not limited to a community development financial institution
 1.15 (CDFI), an economic development district (EDD), a political subdivision of the state, a
 1.16 microenterprise firm, or a nonprofit community lending organization that has previous
 1.17 experience lending to a food retailer, producer, or another healthy food enterprise in an
 1.18 underserved community in a low-income or moderate-income area, as defined in this
 1.19 section; has been in existence and operating prior to January 1, 2014; has demonstrated
 1.20 the ability to raise matching capital and in-kind services to leverage appropriated money;
 1.21 has the demonstrated ability to underwrite loans and grants; and has partnered previously
 1.22 with nonprofit healthy food access, public health, or related governmental departments or
 1.23 community organizations.

1.24 (e) "Farmers' market" means an association of three or more persons who assemble
 1.25 at a defined location that is open to the public for the purpose of selling directly to the

2.1 consumer the products of a farm or garden occupied and cultivated by the person selling
2.2 the product.

2.3 (f) "Financing" means loans, including low-interest loans, zero-interest loans,
2.4 forgivable loans, and other types of financial assistance other than grants.

2.5 (g) "Food hub" means a centrally located facility with a business management
2.6 structure that facilitates the aggregation, storage, processing, distribution, marketing, and
2.7 sale of locally or regionally produced food products, and which may include a small-scale
2.8 retail grocery operation.

2.9 (h) "Good Food Access Program Advisory Committee" means the Good Food
2.10 Access Program Advisory Committee under section 17.1018.

2.11 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail
2.12 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries,
2.13 and dairy products and may also sell household products, sundries, and other products.
2.14 Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery
2.15 establishment and may include a mobile food market or a delivery service operation.

2.16 (j) "Low-income area" means a census tract as reported in the most recently
2.17 completed decennial census published by the United States Bureau of the Census that has
2.18 a poverty rate of at least 20 percent or in which the median family income does not exceed
2.19 80 percent of the greater of the statewide or metropolitan median family income.

2.20 (k) "Moderate-income area" means a census tract as reported in the most recently
2.21 completed decennial census published by the United States Bureau of the Census in which
2.22 the median family income is between 81 percent and 95 percent of the median family
2.23 income for that area.

2.24 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or
2.25 cooperative retail grocery operation located in a movable new or renovated truck, bus, or
2.26 other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood,
2.27 fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal
2.28 supply of cooking utensils and equipment and other household products and sundries.

2.29 (m) "Program" means the good food access program established in this section.

2.30 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery
2.31 store as defined in this section. Small food retailer includes, but is not limited to, a corner
2.32 store, convenience store, farmers' market, mobile food market, and a retail food outlet
2.33 operated by an emergency food program or food hub.

2.34 (o) "Technical assistance" means needs-based project assistance provided through
2.35 the program, including sustainability-focused individualized guidance, presentations,
2.36 workshops, trainings, printed materials, mentorship opportunities, peer-to-peer

3.1 opportunities, or other guidance and resources on relevant topics such as business
3.2 planning, sales projections, cash flow, succession planning, financing, fund-raising,
3.3 marketing, food preparation demonstrations, and workforce training.

3.4 (p) "Underserved community" means a census tract that is federally designated
3.5 as a food desert by the United States Department of Agriculture, or a census tract in a
3.6 low-income or moderate-income area that includes a substantial subpopulation such as
3.7 the elderly or the disabled that has low supermarket access, regardless of distance, due
3.8 to lack of transportation.

3.9 Subd. 2. **Program established.** (a) A good food access program is established within
3.10 the Department of Agriculture to increase the availability of and access to affordable,
3.11 nutritious, and culturally appropriate food, including fresh fruits and vegetables, for
3.12 underserved communities in low-income and moderate-income areas by providing financial
3.13 support and sustainable public-private projects to open, renovate, or expand the operations
3.14 of grocery stores and small food retailers; expanding access to credit and reducing barriers
3.15 to investment in underserved communities in low- and moderate-income areas; and to
3.16 provide technical assistance, primarily for small food retailers with demonstrated need,
3.17 to increase availability and sustainable sales of affordable, nutritious, and culturally
3.18 appropriate food, including fresh fruits and vegetables, to underserved communities in
3.19 low-income and moderate-income areas. The commissioner, in cooperation with public
3.20 and private partners, shall establish and implement the program as provided in this section.

3.21 (b) The good food access program shall be comprised of state or private grants, loans,
3.22 or other types of financial and technical assistance for the establishment, construction,
3.23 expansion of operations, or renovation of grocery stores and small food retailers to increase
3.24 the availability of and access to affordable fresh produce and other nutritious, culturally
3.25 appropriate food to underserved communities in low-income and moderate-income areas.

3.26 Subd. 3. **Good food access account.** A good food access account is established in
3.27 the agricultural fund. The account consists of money appropriated by the legislature to the
3.28 commissioner, as provided by law, and any other money donated, allotted, transferred,
3.29 or otherwise provided to the account. Money in the account may only be expended on
3.30 projects receiving financing, grants, or other financial and technical assistance as provided
3.31 under this section, and shall be used, to the extent practicable, to leverage other forms of
3.32 public and private financing or financial assistance for the projects.

3.33 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator
3.34 of the account for auditing purposes and shall establish program requirements and a
3.35 competitive process for projects applying for financial and technical assistance.

4.1 (b) The commissioner may receive money or other assets from any source, including
4.2 but not limited to philanthropic foundations and financial investors, for deposit into the
4.3 account, and shall direct the investment of the account and credit to the account interest
4.4 and earnings from account investments.

4.5 (c) Through issuance of requests for proposals, the commissioner may contract
4.6 with one or more qualified economic or community development financial institutions
4.7 to manage the financing component of the program and with one or more qualified
4.8 organizations or public agencies with financial or other program-related expertise to
4.9 manage the provision of technical assistance to project grantees.

4.10 (d) No more than 15 percent of the money in the account shall be reserved to the
4.11 commissioner for administrative and operational costs of the program. Any additional
4.12 money needed for administrative and operational costs may be provided from other
4.13 budgets or in-kind resources.

4.14 (e) Money in the account at the close of each fiscal year shall remain in the account
4.15 and shall not cancel. In each biennium, the commissioner shall determine the appropriate
4.16 proportion of money to be allocated to loans, grants, technical assistance, and any other
4.17 types of financial assistance.

4.18 (f) To encourage public-private, cross-sector collaboration and investment in the
4.19 account and program and to ensure that the program intent is maintained throughout
4.20 implementation, the commissioner shall convene and maintain the Good Food Access
4.21 Program Advisory Committee.

4.22 (g) The commissioner, in cooperation with the Good Food Access Program Advisory
4.23 Committee, shall manage the program, establish program criteria, facilitate leveraging of
4.24 additional public and private investment, and promote the program statewide.

4.25 (h) The commissioner, in cooperation with the Good Food Access Program Advisory
4.26 Committee, shall establish annual monitoring and accountability mechanisms for all
4.27 projects receiving financing or other financial or technical assistance through this program.

4.28 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program
4.29 partners and advisors, shall establish project eligibility guidelines and application
4.30 processes to be used to review and select project applicants for financing or other financial
4.31 or technical assistance. All projects must be located in an underserved community or must
4.32 serve primarily underserved communities in low-income and moderate-income areas.

4.33 (b) Projects eligible for financing include, but are not limited to, new construction,
4.34 renovations, expansions of operations, and infrastructure upgrades of grocery stores and
4.35 small food retailers to improve the availability of and access to affordable, nutritious food,
4.36 including fresh fruits and vegetables, and build capacity in areas of greatest need.

5.1 (c) Projects eligible for other types of financial assistance such as grants or
5.2 technical assistance are primarily projects throughout the state, including, but not limited
5.3 to, feasibility studies, new construction, renovations, expansion of operations, and
5.4 infrastructure upgrades of small food retailers.

5.5 **Subd. 6. Qualifications for receipt of financing and other financial or technical**
5.6 **assistance.** (a) An applicant for receipt of financing through an economic or community
5.7 development financial institution, or an applicant for a grant or other financial or technical
5.8 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole
5.9 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,
5.10 or nonprofit community development organization. Each applicant must:

5.11 (1) demonstrate community engagement in and support for the project;

5.12 (2) demonstrate the capacity to successfully implement the project;

5.13 (3) demonstrate a viable plan for long-term sustainability, including the ability to
5.14 increase the availability of and access to affordable, nutritious, and culturally appropriate
5.15 food, including fresh fruits and vegetables, for underserved communities in low-income
5.16 and moderate-income areas; and

5.17 (4) demonstrate the ability to repay the debt, to the extent that the financing requires
5.18 repayment.

5.19 (b) Each applicant must also agree to comply with the following conditions for a
5.20 period of at least five years, except as otherwise specified in this section:

5.21 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

5.22 (2) apply to accept Special Supplemental Nutrition Program for Women, Infants,
5.23 and Children (WIC) benefits and, if approved, accept WIC benefits;

5.24 (3) allocate at least 30 percent of retail space for the sale of affordable, nutritious,
5.25 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat
5.26 dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute
5.27 beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins,
5.28 consistent with nutrition standards in national guidelines described in the current United
5.29 States Department of Agriculture Dietary Guidelines for Americans;

5.30 (4) comply with all data collection and reporting requirements established by the
5.31 commissioner; and

5.32 (5) promote the hiring, training, and retention of local or regional residents from
5.33 low-income and moderate-income areas that reflect area demographics, including
5.34 communities of color.

5.35 (c) A selected project that is a small food retailer is not subject to the allocation
5.36 agreement under paragraph (b), clause (3), and may use financing, grants, or other financial

6.1 or technical assistance for refrigeration, displays, or onetime capital expenditures for the
6.2 promotion and sale of perishable foods, including a combination of affordable, nutritious,
6.3 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,
6.4 poultry, and fish, consistent with nutrition standards in national guidelines described in the
6.5 current United States Department of Agriculture Dietary Guidelines for Americans.

6.6 Subd. 7. **Additional selection criteria.** In determining which qualified projects to
6.7 finance, and in determining which qualified projects to provide with grants or other types
6.8 of financial or technical assistance, the commissioner, in cooperation with any entities
6.9 with which the commissioner contracts for those purposes and the Good Food Access
6.10 Program Advisory Committee, shall also consider:

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

6.12 (2) the degree to which the project requires an investment of public support, or
6.13 technical assistance where applicable, to move forward, build capacity, create community
6.14 impact, or be competitive;

6.15 (3) the likelihood that the project will have positive economic and health impacts on
6.16 the underserved community, including creation and retention of jobs for local or regional
6.17 residents from low-income and moderate-income areas that reflect area demographics,
6.18 including communities of color;

6.19 (4) the degree to which the project will participate in state and local health department
6.20 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,
6.21 and support locally grown food products through programs such as Minnesota Grown; and

6.22 (5) any other criteria that the commissioner, in cooperation with public and private
6.23 partners, determines to be consistent with the purposes of this chapter.

6.24 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest,
6.25 zero-interest, and forgivable loans, grants, and other financial or technical assistance, may
6.26 be used to support one or more of the following purposes:

6.27 (1) site acquisition and preparation;

6.28 (2) predevelopment costs, including but not limited to feasibility studies, market
6.29 studies, and appraisals;

6.30 (3) construction and build-out costs;

6.31 (4) equipment and furnishings;

6.32 (5) workforce or retailer training; and

6.33 (6) working capital.

6.34 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic
6.35 or community development financial institution and any other entity with which it
6.36 contracts, shall submit an annual report on the good food access program by January 15 of

7.1 each year to the chairs and ranking minority members of the house of representatives and
 7.2 senate committees and divisions with jurisdiction over agriculture policy and finance. The
 7.3 annual report shall include, but not be limited to, a summary of the following metrics:

- 7.4 (1) the number and types of projects financed;
- 7.5 (2) the amount of dollars leveraged or matched per project;
- 7.6 (3) the geographic distribution of financed projects;
- 7.7 (4) the number and types of technical assistance recipients;
- 7.8 (5) any market or commodity expansion associated with increased access;
- 7.9 (6) the demographics of the areas served;
- 7.10 (7) the costs of the program;
- 7.11 (8) the number of SNAP and WIC dollars spent;
- 7.12 (9) any increase in retail square footage;
- 7.13 (10) the number of loans or grants to minority-owned or female-owned businesses;

7.14 and

- 7.15 (11) measurable economic and health outcomes, including, but not limited to,
 7.16 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,
 7.17 the number of construction and retail jobs retained or created, and any health initiatives
 7.18 associated with the program.

7.19 **Sec. 2. [17.1018] GOOD FOOD ACCESS PROGRAM ADVISORY**
 7.20 **COMMITTEE.**

7.21 Subdivision 1. **Definitions.** As used in this section, the following terms have the
 7.22 meanings given them:

- 7.23 (1) "program" means the good food access program under section 17.1017; and
- 7.24 (2) "commissioner" means the commissioner of agriculture.

7.25 Subd. 2. **Creation.** The Good Food Access Program Advisory Committee consists
 7.26 of the following members, appointed by the commissioner of agriculture, unless otherwise
 7.27 specified:

- 7.28 (1) the commissioners of health, employment and economic development, and
 7.29 human services, or their respective designees;
- 7.30 (2) one person representing the grocery industry;
- 7.31 (3) two people representing economic or community development, one rural
 7.32 member and one urban or suburban member;
- 7.33 (4) two people representing political subdivisions of the state;
- 7.34 (5) one person designated by the Council for Minnesotans of African Heritage;
- 7.35 (6) one person designated by the Minnesota Indian Affairs Council;

- 8.1 (7) one person designated by the Council on Asian Pacific Minnesotans;
8.2 (8) one person designated by the Chicano Latino Affairs Council;
8.3 (9) one person designated by the Minnesota Farmers Union;
8.4 (10) one person representing public health experts;
8.5 (11) one person representing philanthropic foundations;
8.6 (12) one person representing economic or community development financial
8.7 institutions;
8.8 (13) one person representing the University of Minnesota Regional Sustainable
8.9 Development Partnerships;
8.10 (14) two people representing organizations engaged in addressing food security,
8.11 one representative from a statewide hunger relief organization and one from a
8.12 community-based organization;
8.13 (15) one person representing immigrant farmer-led organizations;
8.14 (16) one person representing small business technical assistance with experience
8.15 in food retail; and
8.16 (17) up to four additional members with economic development, health equity,
8.17 financial, or other relevant expertise.

8.18 At least half of the members must reside in or their organizations must serve rural
8.19 Minnesota. The commissioner may remove members and fill vacancies as provided in
8.20 section 15.059, subdivision 4.

8.21 Subd. 3. **Duties.** The advisory committee must advise the commissioner of
8.22 agriculture on managing the program, establishing program criteria, establishing project
8.23 eligibility guidelines, establishing application processes and additional selection criteria,
8.24 establishing annual monitoring and accountability mechanisms, facilitating leveraging of
8.25 additional public and private investments, and promoting the program statewide.

8.26 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at
8.27 least two times per year to achieve the committee's duties.

8.28 Subd. 5. **Administrative support.** The commissioner of agriculture must provide
8.29 staffing, meeting space, and administrative services for the advisory committee.

8.30 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee
8.31 shall serve as chair of the committee.

8.32 Subd. 7. **Compensation.** The public members of the advisory committee serve
8.33 without compensation or payment of expenses.

8.34 Subd. 8. **Expiration.** The advisory committee does not expire.

8.35 Sec. 3. **GOOD FOOD ACCESS ADVISORY COMMITTEE.**

9.1 The commissioner of agriculture and designating authorities must make their initial
9.2 appointments and designations by July 1, 2016, for the Good Food Access Advisory
9.3 Committee established under Minnesota Statutes, section 17.1018. The commissioner of
9.4 agriculture or the commissioner's designee must convene the first meeting of the Good
9.5 Food Access Advisory Committee by September 1, 2016.

9.6 Sec. 4. **APPROPRIATION.**

9.7 \$10,000,000 in fiscal year 2017 is appropriated from the general fund to the
9.8 commissioner of agriculture to be deposited in the good food access account created in
9.9 Minnesota Statutes, section 17.1017, subdivision 3. This appropriation shall be added to
9.10 the agency's base.